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The TOBACCO SITUATION

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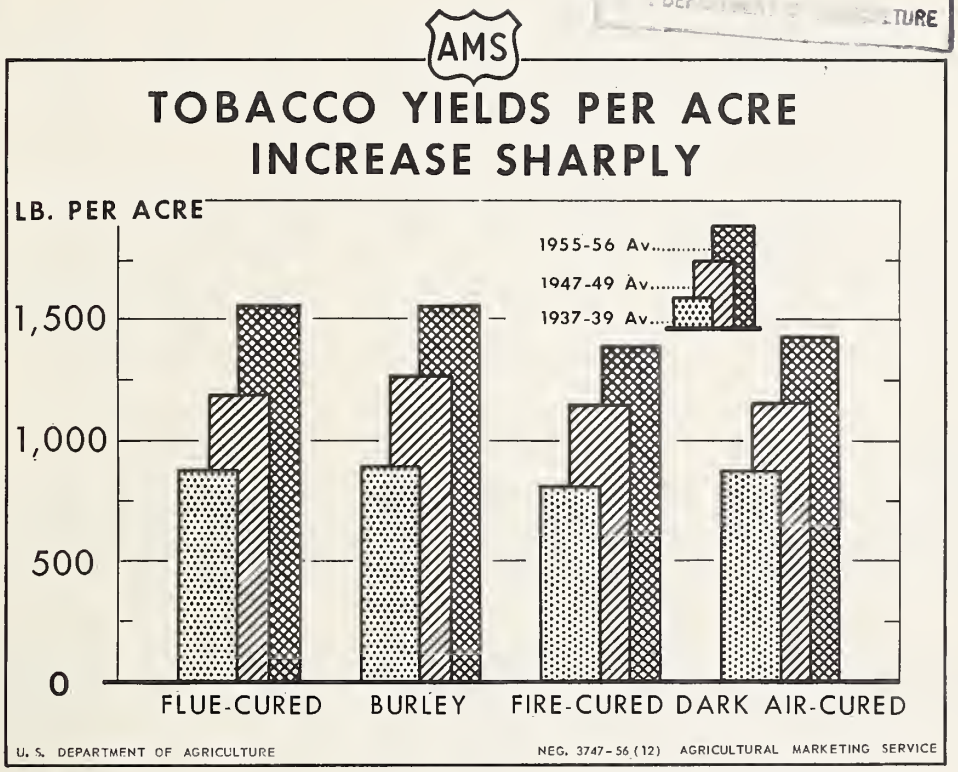

For some kinds of tobacco, the number of pounds harvested per acre have risen strikingly in the last two decades. Yields per acre for flue-cured, burley, fire-cured, and dark air-cured tobacco in 1955 and 1956 averaged 20 to 30 percent above their respective 1947-49 averages. The 1955 and 1956 yields for flue-cured and burley averaged nearly 75 percent higher than in 1937-39 and for fire-cured and dark air-cured, the increases have amounted to between 60 and 70 percent.

The marked uptrend in yields per acre reflects heavier fertilization, new higher yielding varieties, better cultural practices, and closer spacing of plants. The quota programs based on acreage restrictions have intensified efforts by growers to increase yields per acre, especially since successive cuts in farm acreage allotments have been necessary.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

A BCD

AGRICULTURE - WASHINGTON

STATISTICAL SUMMARY

Item	Unit or base period	1955 Aug.	1955 Sept.	1955 Oct.	1955 Nov.	1956 Aug.	1956 Sept.	1956 Oct.	1956 Nov.	Last data available as percentage of a year earlier
Average prices at auctions										
Flue-cured	Cents per lb.	50.2	52.0	52.1	53.0	50.8	53.0	51.8	48.7	92
Burley	Cents per lb.	C-l-o-s-e-d			57.3	C-l-o-s-e-d			61.1	107
Maryland	Cents per lb.	C-l-o-s-e-d				C-l-o-s-e-d				---
Fire-cured	Cents per lb.	C-l-o-s-e-d			32.1	C-l-o-s-e-d			39.0	121
Dark air-cured (35-36)	Cents per lb.	C-l-o-s-e-d				C-l-o-s-e-d				---
Virginia sun-cured (37)	Cents per lb.	C-l-o-s-e-d			25.5	C-l-o-s-e-d				---
Parity prices										
Flue-cured	Cents per lb.	52.9	52.5	52.9	52.7	54.7	54.5	54.5	54.9	104
Burley	Cents per lb.	51.3	50.8	50.8	50.8	53.6	53.4	53.4	53.8	106
Maryland	Cents per lb.	53.3	53.1	53.5	53.3	54.0	54.0	54.0	54.5	102
Fire-cured	Cents per lb.	35.2	35.0	35.3	35.2	36.3	36.2	36.2	36.4	103
Dark air-cured (35-36)	Cents per lb.	29.9	29.7	30.0	29.9	31.1	31.0	31.0	31.2	104
Virginia sun-cured (37)	Cents per lb.	33.5	33.4	33.6	33.5	33.1	33.0	33.0	33.2	99
Parity index 1/	1910-14=100	280	279	280	279	288	287	287	289	104
Tax-paid removals										
Cigarettes, small	Billion	36.8	32.1	32.9	32.6	37.6	30.4	37.2		113
Cigars, large	Million	536	534	551	613	515	456	550		100
Chewing and smoking	Mil. lb.	14.0	13.3	13.6	13.6	13.7	11.7	13.8		101
Snuff	Mil. lb.	3.5	3.3	3.2	3.3	3.5	2.9	3.5		109
Accumulated from Jan. 1										
Cigarettes, small	Billion	257	289	322	355	265	296	333		103
Cigars, large	Million	3,702	4,237	4,787	5,400	3,894	4,350	4,899		102
Chewing and smoking	Mil. lb.	104.6	117.8	131.5	145.1	97.1	108.9	122.7		93
Snuff	Mil. lb.	26.2	29.6	32.7	36.0	25.4	28.3	31.8		97
Tax-free removals										
Cigarettes, small	Billion	2.2	2.9	2.4	2.4	2.9	3.0	2.7		112
Cigars, large	Million	8.6	7.6	7.3	6.2	7.0	6.6	6.9		95
Chewing and smoking	Mil. lb.	.4	.5	.3	.3	.4	.4	.3		100
Accumulated from Jan. 1										
Cigarettes, small	Billion	19.9	22.8	25.2	27.6	20.2	23.2	25.9		103
Cigars, large	Million	55.0	62.6	69.9	76.1	45.8	52.4	59.3		85
Chewing and smoking	Mil. lb.	2.8	3.3	3.6	3.9	2.3	2.7	3.0		83
Disposable personal income 2/	Bil. dol.		273.8				288.2			105
Index of industrial production 3/	1947-49=100	140	142	143	143	142	145	146	147	103
Employment	Million	65.5	64.7	65.2	64.8	66.8	66.1	66.2	65.3	101
Labor force employed	Percent	96.7	96.8	96.8	96.4	96.8	97.1	97.2	96.4	100
Exports (farm-sales wt.)										
Flue-cured	Mil. lb.	46.7	88.9	88.8	60.6	34.4	80.6	70.3		79
Burley	Mil. lb.	2.9	2.3	1.8	5.1	2.1	3.7	2.9		161
Maryland	Mil. lb.	.6	.8	1.4	1.3	.9	1.4	1.3		93
Fire-cured	Mil. lb.	2.4	2.4	2.7	3.7	2.4	3.5	2.9		107
Dark air-cured	Mil. lb.	.3	.6	.3	.5	.5	.6	.3		100
Cigar	Mil. lb.	.6	.7	1.3	.6	.4	.7	.8		62
Accumulated from beginning of marketing yr. 4/										
Flue-cured	Mil. lb.	96.0	184.8	273.7	334.3	53.3	133.9	204.2		75
Burley	Mil. lb.	30.6	32.9	1.8	6.9	30.6	34.4	2.9		161
Maryland	Mil. lb.	7.4	8.2	1.4	2.7	11.6	12.9	1.3		93
Fire-cured	Mil. lb.	26.8	29.2	2.7	6.4	30.1	33.5	2.9		107
Dark air-cured	Mil. lb.	9.5	10.1	.3	.8	5.2	5.8	.3		100
Cigar filler and binder	Mil. lb.	1.5	1.7	.6	.8	2.8	3.1	.4		67
Cigar wrapper	Mil. lb.	.7	1.3	1.9	2.3	.6	1.0	1.3		68
General imports, all commodities	Mil. dol.	961	946	1,011	1,065	1,049	992	1,120		111
Accumulated from Jan. 1	Mil. dol.	7,353	8,300	9,311	10,376	8,442	9,435	10,555		113
Sterling area gold and dollar reserves 5/	Mil. dol.	2,457	2,345	2,297	2,283	2,276	2,328	2,244	1,965	86
Stocks of domestic types (farm-sales weight) 6/										
Flue-cured	Mil. lb.			2,541				2,664		105
Burley	Mil. lb.			1,347				1,301		97
Maryland	Mil. lb.			84				78		93
Fire-cured	Mil. lb.			137				138		101
Dark air-cured	Mil. lb.			81				85		105
Cigar, filler	Mil. lb.			195				185		95
Cigar, binder	Mil. lb.			117				110		94
Cigar, wrapper	Mil. lb.			22				22		100

1/ Prices paid, interest, taxes, and farm wage rates. 2/ Annual rate, seasonally adjusted. 3/ Seasonally adjusted. 4/ July 1 for flue-cured and cigar wrapper and October 1 for other types. 5/ Held in London. 6/ Dealers' and manufacturers' holdings in United States and Puerto Rico on first day of quarter.

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, December 18, 1956

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SUMMARY

Supplies of nearly all kinds of tobacco are large in relation to prospective disappearances. Surpluses have developed, and with some downward adjustments of acreage in prospect, total income to growers from tobacco is likely to be lower in 1957 than in 1956.

The 1957 flue-cured acreage allotment is 20 percent lower than in 1956. The Secretary of Agriculture will announce by February 1, the 1957 marketing quotas and acreage allotments for burley, Maryland, fire-cured, dark air-cured, sun-cured, and cigar filler and binder (types 42-44 and 51-55) tobaccos. Growers of cigar binder and filler types, grown mainly in Wisconsin, the Connecticut Valley, and Ohio, will vote during February in a referendum to determine whether or not they favor marketing quotas on their next three crops. Growers of the other kinds of tobacco listed above voted approval in previous referendums.

The Soil Bank Program came too late for significant effect on 1956 tobacco production, except for cigar binder types. An earlier start for the 1957 Program may encourage greater participation than in 1956.

Government price supports are set at 90 percent of parity for the kinds of tobacco under marketing quotas, except for fire-cured which is 75 percent of the burley support, and dark air- and sun-cured which are 66 2/3 percent of the burley support.

The Department announced December 18, major changes in the 1957 flue-cured tobacco price support program. These changes, which were in accord with recommendations of grower organizations and industry leaders, are as follows:

(1) 1957-crop flue-cured tobacco of varieties "139," "140," and "244," irrespective of grade, will be supported at one-half the support rates for comparable grades of other varieties.

(2) Price support rates for individual grades of all flue-cured varieties will be adjusted to reflect current demand patterns. This is designed to encourage growers to follow cultural practices that will result in a larger share of the crop having desirable flavor and aroma characteristics.

Cigarettes are by far the largest single outlet for tobaccos--utilizing big quantities of flue-cured and burley and also the major share of Maryland tobacco.

Output of cigarettes in calendar 1956 is estimated near 425 billion--3 percent more than in 1955 and second only to the 435½ billion in 1952, when shipments to troops overseas were heavy. Since domestic consumption of cigarettes in 1957 is likely to increase, total output may be close to the 1952 peak. A favorable factor is expected continuation of high levels of consumer income and employment. Increases in cigarette consumption, percentagewise, in the last 2 years have been more than increases in population of smoking age. Based on scattered reports from trade sources, consumption of filter tip cigarettes in calendar 1956 was 30 percent or more of the total, compared with roughly 20 percent in 1955, and 10 percent in 1954. Filter tips probably will account for an even larger share of consumption in 1957.

Domestic use of flue-cured and burley has declined in the last 2 or 3 years, and no significant gains seem likely during 1957. Apparently, more cigarettes can now be produced per pound of leaf tobacco, a development mainly attributable to the lower requirement per cigarette for the average filter tip, and to the more complete use of tobacco leaves, including midribs or stems. It has been estimated that if each 1,000 cigarettes manufactured in 1955-56 required as much leaf as in 1953-54, the total domestic use of flue-cured would have been about 35 million pounds greater than it actually was. In the case of burley, the quantity would have been 15 to 20 million pounds greater than during 1955-56.

Smoking tobacco for pipes and "roll-your-own" cigarettes is a much smaller outlet for the cigarette types of tobacco. The 1956 output of smoking tobacco probably totals near 73 million pounds--9 percent less than in 1955 and the second sharpest decline in the past decade. Smoking tobacco output will probably continue at a low level. When incomes are high, other forms of smoking are chosen in place of the more economical pipe smoking and "roll-your-own" cigarettes.

The total supply of flue-cured for 1956-57 is a record 3,668 million pounds--nearly 4 percent larger than for 1955-56. Carryover in mid-1957 will reach a new high of about 7 percent above 1956. Reduced production, expected next year mainly as the result of the smaller acreage allotment, may bring down the total supply for 1957-58 by about 5 percent from the 1956-57 record level.

The great bulk of the 1956 flue-cured crop has been marketed. Prices at auctions averaged 52 cents per pound--about 1 cent less than in each of the previous 2 seasons. A record quantity was placed under Government loan--almost 23 percent of the 1,410 million pound crop.

The 1956-57 total supply of burley, 1,795 million pounds, is 1 percent less than for 1955-56, and 4 percent less than the peak 1954-55 level. Burley auction markets opened in late November; through mid-December, sales totaled 323 million pounds, averaging 63.3 cents per pound--about 8 percent higher than in the comparable period of last season. The season average will top the previous record of 58.6 cents received for the 1955 crop. The percentage of the crop being placed under Government loan is the smaller than any year during the past decade.

The total supply of Maryland tobacco for 1956-57 is estimated at about 110 million pounds--nearly the same as a year earlier. Auctions for the 1956 crop will be next spring and summer. The 1956 crop receives Government price support. Prices of the 1954 and 1955 crops were not supported, since marketing quotas were not in effect.

Principal domestic outlets for fire-cured and dark air-cured tobaccos are snuff and chewing tobacco.

The 1956 outputs of chewing tobacco and snuff are estimated at 77 and 38 million pounds, respectively--both about 3 percent less than in 1955. Chewing tobacco consumption is likely to decline further in 1957 in line with the long term trend, but snuff is expected to be near the comparatively stable level of the last several years.

The 1956-57 total supply of fire-cured tobacco at 205 million pounds is slightly above last year, thus continuing relatively large. The 1956-57 total supply of dark air-cured and sun-cured, at 117½ million pounds, is 5 percent greater than for 1955-56, and the largest since the early 1930's when total annual use was much larger. Government loan stocks of fire-cured and dark air-cured types are exceedingly heavy in relation to annual disappearances.

The total number of cigars and cigarillos consumed in 1956 is estimated at about 6¼ billion--2 to 3 percent above 1955 and the most since the late 1920's. Some further increase in numerical output is expected in 1957. Manufactured or processed binder sheet will displace natural leaf binders on an increasing scale during the year ahead.

The 1956-57 total supplies of continental cigar filler, at nearly 184 million pounds, and of the cigar binder types, at 140 million, are 3 and 12 percent less, respectively, than for 1955-56. The 1956 production of the cigar binder types was down 29 percent from 1955, reflecting the cut in acreage allotments, and also the placement of considerable acreage in the acreage reserve of the Soil Bank Program. The 1956-57 total supply of shade-grown wrapper is nearly 34 million pounds--the same as last year.

Total leaf tobacco exports in calendar 1956 are estimated at near 500 million pounds, declared weight (equivalent to 555 million, farm-sales weight). This is 7 percent lower than in 1955 and 10 percent higher than in 1954. Four-fifths or more of total tobacco exports is flue-cured. During the recent marketing season, the strong demand by domestic companies for heavier-bodied, aromatic, medium grades usually sought by some foreign countries advanced prices for these grades. Another factor in tobacco exports is that a substantial volume of the leaf marketed in the last season or two reportedly has not had characteristics sought by certain foreign buyers. Competition from foreign producing and exporting countries also continues to increase. During 1956, the Federation of Rhodesia and Nyasaland harvested the biggest tobacco crop in its history, and Canada produced its second largest on record.

TOBACCO PRODUCTS

Cigarettes

Output of cigarettes in calendar 1956 is estimated at near 425 billion--3 percent more than in 1955 and second only to the 435½ billion output in 1952, when overseas shipments to troops were heavy. The 1956 domestic consumption (tax-paid removals) is about 394 billion--nearly 93 percent of total output and about equal to the 1952 peak; shipments mainly for overseas forces are about 9 billion lower than in 1952.

Domestic consumption of cigarettes in 1957 is likely to increase further; total output may be near the 1952 peak. The expected continuation of high levels of consumer income and employment will be favorable factors. The reported continuing increase in popularity of filter tip cigarettes probably reflects, in part, a shift of some smokers from nonfilter tips and, in part, some new smokers. Scattered reports from trade sources indicate domestic consumption of filter tip cigarettes, in calendar year 1956, accounted for 30 percent or more of the total, compared with about 20 percent in 1955, about 10 percent in 1954, and 3 percent in 1953. It is not known if there is a tendency for smokers of filter tip cigarettes to smoke at a higher rate than smokers of nonfilter tips.

Increases in cigarette consumption in the last 2 years have been greater, percentagewise, than those in the population of smoking age. Since 1954, the population group aged 15 years and over has increased about 1 percent per year, and the projected increases from 1956 to 1960 average about 1¼ percent. The largest proportion of regular cigarette smokers is found among males 18-65 and females 18-55. Since 1954, the number in these two groups increased about six-tenths of 1 percent annually; only slightly

higher annual increases--a little over seven-tenths of 1 percent--are anticipated from 1956 to 1960. If the proportions of smokers within these population groups stay fixed, as seems unlikely, cigarette consumption would grow at a slow pace in the next few years. Not only are there larger proportions of smokers in these age groups, but the rates of consumption tend to be higher than in others. Since 1954, males 65 and over and females 55 and over have increased annually about 2.2 and 2.5 percent, respectively; the yearly rates of increase for these two groups from 1956 to 1960 are likely to be 1.8 percent for males and 2.4 percent for females. Although the number of 15-17 year olds has increased only about 2 percent in each of the last 2 years, the annual rate of increase will average about 5 percent for the period 1956 to 1960.

Table 1.--Cigarettes: Total output, domestic consumption, and exports, for specified periods

Period	Total output	Domestic consumption 1/	Shipments and other 2/	Exports
	Billions	Billions	Billions	Billions
Average:				
1935-39	164.2	157.0	1.7	5.5
1940-44	256.9	223.5	27.5	5.8
1945	332.2	267.2	58.1	6.9
1946	350.0	321.7	6.6	24.1
1947	369.7	335.4	11.5	22.8
1948	386.8	348.5	13.5	25.2
1949	385.0	351.8	13.7	19.5
1950	392.0	360.2	17.5	14.3
1951	418.8	379.7	22.1	16.8
1952	435.5	394.1	23.6	16.4
1953	423.1	386.8	20.8	16.2
1954	401.8	368.7	17.8	15.4
1955	412.3	382.1	15.2	15.1
1956 3/	425.0	394.0	15.0	15.7

1/ As indicated by tax-paid removals.
2/ Mainly to armed forces, United States possessions, and for ships' stores.
3/ Estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and of the United States Department of Commerce.

Table 2.--Cigarette exports from the United States to leading destinations for specified periods

Country	Average 1949-53	1954 1/	1955 1/	January-October 1955 1/	January-October 1956 1/	January-October 1956 as percentage of 1955
	Millions	Millions	Millions	Millions	Millions	Percent
Venezuela	1,323	1,541	1,744	1,423	1,572	110
Tangier-Fr. Morocco	1,755	1,504	1,144	1,063	1,425	134
France	518	630	979	781	701	90
Hong Kong	100	721	842	702	724	103
O. Sp. Africa	9	438	682	603	180	30
Sweden	605	690	679	600	623	104
Panama-Canal Zone	708	682	617	500	476	95
Spain	65	312	538	414	504	122
British Malaya	564	438	511	415	540	130
Belgium	873	848	507	441	404	92
Other countries 2/	10,147	7,622	6,883	5,739	6,184	108
Total all countries	16,667	15,426	15,126	12,681	13,333	105

1/ Preliminary. 2/ Includes approximately 90 to 95 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

A Treasury Department spokesman has indicated that the Administration may request extension of the present 8-cent tax on a package of 20 cigarettes beyond April 1, 1957. Present law provides for the rate to revert to 7 cents per pack on that date.

Forty-two states and the District of Columbia levy taxes on cigarettes. Increased state levies in the last 16 months raised retail prices 4 percent or more for roughly one-third of the cigarette smokers in the United States.

Cigars

Total 1956 consumption of cigars in the United States and by overseas forces is estimated at about 6.3 billion--2 to 3 percent above 1955. Shipments to overseas forces declined moderately, but domestic consumption probably was the largest since the late 1920's. A significant but indeterminate share of the increase was probably due to increased use of cigarillos, which are included in cigar statistics although they are consierably smaller than traditional cigar size. Production of manufactured binder is expanding, and it will be used on a larger proportion of cigars in 1957 than in 1956.

Table 3.- Cigars 1/: Output and domestic consumption for specified periods

Period	Domestic factories			Bonded manufacturing warehouses	Imports for consumption		From Puerto Rico: Tax-paid withdrawals in United States	Total tax-paid consumption
	Total output	Tax-paid removals	Tax-free removals	Tax-paid removals	Total 2/	From Cuba		
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average:								
1935-39	5,075	5,060	13	66	192.4	3.0	27.4	5,346
1940-44	5,450	5,282	199	105	93.7	15.3	11.6	5,492
1945	5,275	4,774	469	82	60.0	59.8	85.3	5,001
1946	5,618	5,621	26	125	22.2	20.1	77.8	5,846
1947	5,488	5,460	41	124	12.5	9.1	6.2	5,603
1948	5,645	5,588	38	140	11.8	10.3	5.0	5,745
1949	5,453	5,399	46	142	10.9	10.2	4.6	5,556
1950	5,399	5,365	47	160	11.9	11.1	.7	5,538
1951	5,594	5,518	85	177	14.3	13.0	.7	5,710
1952	5,825	5,755	102	196	14.6	12.5	1.9	5,968
1953	5,915	5,820	90	205	16.8	13.4	9.9	6,052
1954	5,820	5,690	89	206	16.3	12.3	49.5	5,962
1955 3/	5,776	5,831	82	227	20.3	14.7	84.3	4/6,060
1956 5/	5,970	5,960	70	235	22.0	16.0	100.0	4/6,230

1/ Weighing over 3 pounds per 1,000 and including cigarillos.
2/ Predominant share of cigar imports prior to World War II came from the Philippine Islands.
3/ Subject to revision.
4/ Adjusted for presumed duplication of reprocessed cigars which may have been counted twice in the factory removals.
5/ Estimate.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

The prospective continuation of consumer income at a high level should result in a further increase in cigar consumption in 1957.

The great bulk of cigars consumed in the United States are also made here. During the first 10 months of 1956, cigars from donestic factories retailing at 8.1 to 15.0 cents comprised about 42½ percent of the total; those retailing at 4.1 to 6.0 cents comprised about 39½ percent of the total. The latter group includes a significant number of cigarillos which are not reported separately. Cigars selling at 6.1 to 8.0 cents accounted for about 10 percent of the total and those selling for 4.0 cents or less accounted for 4 percent. The remaining 4 percent represent cigars selling for more than 15 cents each.

Approximately 3 to 4 percent of cigars consumed domestically are made in bonded manufacturing warehouses exclusively from imported tobacco. Roughly two-thirds of these sell for more than 15 cents apiece. About one-third of 1 percent of total consumption is imported readymade largely from Cuba, which sell for more than 20 cents apiece, generally.

Cigars manufactured in Puerto Rice for the United States market continue to increase; they account for more than 1 1/2 percent of the total, nearly all of which retail at 8.1 to 15.0 cents

Smoking Tobacco

The 1956 output of smoking tobacco for pipes and roll-your-own cigarettes probably totals near 73 million pounds--9 percent less than in 1955. This was the second sharpest year-to-year decline in the past decade; from 1952 to 1953, the drop was 10½ percent. Since 1949, decline of output in each successive year was caused in large part by reduction in roll-your-own cigarettes, which probably fell 25 to 30 per between 1949 and 1955. Indications are that a further sizeable drop in roll-your-own cigarettes occured in 1956.

Smoking tobacco output probably will continue at a low level, since other forms of smoking are chosen in place of the more economical pipe smoking and roll-your-own cigarette when incomes are at high levels. However, at some point a production plateau may be reached that is largely based upon the smokers who tend to prefer pipes.

Although largely not covered in output statistics of manufactured tobacco (as reported by the Internal Revenue Service), there is a significant volume of manufactured bulk tobacco reported in Census export statistics. This export category includes specially prepared cigarette tobacco, cut or granulated tobacco, partially processed-blended tobacco, and shredded tobacco. During the first 10 months of 1956, these exports totaled 4½ million pounds 15 percent less than in the same months of 1955 when the calendar year total was 6.2 million pounds--a record high and about 1½ million larger than in each of the 2 preceding years. The five leading destinations for bulk smoking exports during January-October 1956 were Spain, Mexico, Philippine Republic, Panama, and Haiti which together accounted for about 70 percent of the total. Other important foreign outlets were Bolivia, Dominican Republic, Ecuador, and Indochina, which together accounted for about 25 percent of the total.

Table 4.- Output of manufactured tobacco in the United States for specified periods

Period	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	86.6	38.1	4.7	2.9	38.1	83.8	39.1
1954	83.7	36.9	4.9	2.9	36.6	81.3	38.5
1955	80.0	36.5	4.5	3.0	36.0	80.0	39.2
1956 1/	73.0	33.5	4.3	3.0	36.0	76.8	38.2

1/ Estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

Chewing Tobacco

The 1956 output of chewing tobacco is estimated at near 77 million pounds--down about 4 percent from 1955 and the lowest this century. A further gradual decline is expected in the years ahead. Circumstances of employment, modern living habits and attitudes all seem to discourage chewing as a form of tobacco consumption.

Output of scrap chewing, which mainly utilizes certain grades of the cigar binder types, has fallen less than plug chewing which utilizes burley and dark air-cured tobacco. Output of scrap chewing in the last 2 years has been fairly stable at about 13 percent below the 1947-49 average and 18 percent below the 1935-39 average. Output of plug chewing, which has fallen off steadily, in 1956 was about 25 percent below the 1947-49 average and 41 percent below the 1935-39 average.

Two much smaller categories of chewing tobacco are twist and fine-cut. Output of both are relatively far less than prewar, and twist continues a downward trend; however, output of fine-cut chewing has tended to be fairly stable during the past 9 years.

The great bulk of chewing tobacco manufactured in the United States is also consumed here. Usually 1 to 2 million pounds of plug and twist are exported, largely to Australia and the Philippines.

Snuff

The 1956 output of snuff is estimated to be near 38 million pounds -- nearly 3 percent lower than in 1955 and the smallest annual output since 1940; snuff output reached a peak of 43.8 million pounds in 1945. During 5 years prior to 1956, annual output has ranged between 38 1/2 and 39 1/2 million pounds. Almost all output is consumed in the United States. Consumption has been highly stable in the aggregate, although declining on a per capita basis. No marked change in snuff consumption from this year's level is expected for 1957.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

The 1956 calendar year exports of tobacco are estimated at near 500 million pounds -- declared weight (equivalent to 555 million farm-sales weight) compared with 540 million in 1955 and 454 million in 1954. From 1946 through 1955, annual exports of tobacco have averaged 500 million pounds. High and low extremes of the 10-year average were 396 million pounds in 1952 and 663 million pounds in 1946.

During the two 6-month periods, the last half of 1955 and the first half of 1956, Public Law 480 sales of tobacco for foreign currencies contributed substantially to the higher than usual export level; foreign sales of tobacco for dollars were also greater than for several previous years. The heaviest shipping period for tobacco is usually in the last third of the year when most of the new crop of flue-cured becomes available. About 80 to 85 percent of total leaf exports from this country is flue-cured.

In the recent flue-cured marketing season, the strong demand by domestic companies for heavier bodied, aromatic, medium grades also sought by some foreign countries advanced prices for these grades. Another sales deterrent was the fact that some tobaccos now being grown on a substantial scale do not have the characteristics sought by certain foreign buyers. These factors together probably contributed to the recent reduction in flue-cured exports and threaten to reduce them further.

Other reasons for lower exports this year than last are the build-up of stocks by some countries during 1955-56 and the smaller volume of foreign currency sales in the current fiscal year than last.

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 5.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)

Country and type	Average 1934-38	Average 1949-53	1954 1/	1955 1/	January-October 1955 1/	January-October 1956 1/	January-October 1956 as percentage of 1955
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Flue-cured	324.9	392.2	374.8	456.5	363.8	336.5	92
Burley	11.6	30.0	29.6	31.3	24.4	24.1	99
Maryland	5.5	7.3	8.7	8.4	6.4	10.3	161
Va. fire-cured and sun-cured	9.7	4.8	4.0	4.4	3.1	3.8	123
Ky. & Tenn. fire-cured	53.7	24.6	20.9	21.4	17.8	21.1	119
Green River	3.0	2.1	2.1	1.8	1.8	.9	50
Black Fat, etc.	9.0	4.1	4.5	5.3	4.4	3.5	80
Cigar wrapper		3.4	3.4	4.2	3.5	3.4	97
Cigar binder	1.3	4.2	1.7	1.7	1.3	1.8	138
Cigar filler		2.7	.2	.2	.2	.4	200
One Sucker	.7	2.9	.9	1.7	1.7	.5	29
Perique	.1	.1	.1	.1	.1	2/	---
Stems, trimmings, and scrap	17.8	4.2	2.7	3.3	2.7	3.1	115
Total	437.3	482.6	453.6	540.3	431.2	409.4	95
Country of destination:							
United Kingdom	213.9	151.7	150.0	183.9	155.7	124.6	80
France	21.0	9.1	12.6	7.9	6.2	4.1	66
Belgium	15.5	21.0	12.2	24.8	19.1	18.3	96
Netherlands	15.6	32.7	38.1	30.9	20.7	27.7	134
Germany, W. & E.	12.8	73.6	43.3	59.1	52.3	60.2	115
Portugal	4.8	7.3	7.4	6.9	6.5	7.7	118
Denmark	4.6	11.3	9.5	12.3	8.2	9.5	116
Ireland	7.4	18.9	14.1	12.8	9.9	8.0	81
Switzerland	3.8	12.0	11.7	10.8	7.3	11.3	155
Norway	4.7	7.4	7.6	7.8	6.1	7.0	115
Sweden	7.2	11.5	9.6	11.3	8.7	11.5	132
Italy	1.1	3.2	3.9	4.5	4.3	6.6	153
Hong Kong	1.6	4.7	3.5	4.3	3.4	3.0	88
Australia	18.4	21.7	28.2	31.6	19.8	14.1	71
India-Pakistan	2.6	5.5	3.5	5.6	5.3	3.6	68
New Zealand	2.5	6.2	6.6	7.6	7.1	5.7	80
Philippine Rep.	1.2	17.6	19.5	21.5	15.9	2.2	14
Indonesia	2.0	8.3	10.3	9.9	6.9	14.3	207
Japan	7.3	3.8	6.7	17.5	11.4	3.2	28
Other countries	3/89.3	55.1	55.3	69.3	56.4	66.8	118
Total	437.3	482.6	453.6	540.3	431.2	409.4	95

1/ Preliminary. 2/ Less than 50,000 pounds. 3/ China got an average of 48 million pounds in 1934-38 but practically none since 1949.

Compiled from publications and records of the Bureau of the Census.

During the past year, generally the gold and dollar position has improved for most Western European countries, which account for a major share of our tobacco exports. An important exception, however, is the United Kingdom, our leading export outlet for tobacco, where gold and dollar reserves have reached a very low point -- 1,965 million dollars at the end of November. This is 14 percent below November 1955, when they had already declined steadily for over a year, and the lowest level since the end of 1952. British gold and dollar reserves gained gradually, during 1956, until the end of July, but the end of November figure dropped 18 percent below the July level. Pressures on sterling area reserves have been attributed to international tension growing out of the Suez crisis; firm steps have been taken to strengthen these reserves.

For most countries of Western Europe and the United Kingdom as well, much of 1956 has been a period of high economic activity and industrial output. Partial year figures for a number of countries show cigarette consumption also continuing its upward trend.

The United States is the world's leading producer and exporter of tobacco. Important foreign producing and exporting countries include the Central African Federation (includes Rhodesia and Nyasaland), Canada, and India, which all raise substantial quantities of flue-cured, and Turkey and Greece, which raise big quantities of oriental tobacco.

The 1956 flue-cured crop of Rhodesia and Nyasaland, at a record volume of about 172 million pounds was about one-third larger than in 1955, 40 million pounds larger than the previous high of 1954. The average price for the 1956 auction sales of Southern Rhodesian flue-cured was equivalent to 38.4 cents per pound -- 18 percent lower than in 1955, and 15 percent below the 1950-54 average. In the first 8 months of 1956, nearly three-fourths of the Rhodesia and Nyasaland exports of tobacco (90 percent of which was flue-cured) went to the United Kingdom -- an increase of 2 percent over the corresponding period of 1955. The January-August 1956 exports to Australia were down sharply compared with the same period of 1955. However, shipments to Western Germany, Netherlands, Belgium, Denmark, Sweden, Portugal, Norway, Australia, and France totaled over 13 million pounds -- 48 percent more than in the same period of 1955. All got more except Norway whose takings were about the same as a year earlier.

The 1956 flue-cured crop in Canada is estimated at 154 million pounds -- well above last year's sharply reduced level and second only to the record 173 million pounds produced in 1954. Prices for sales of the great bulk of the crop averaged about 47 1/2 cents per pound -- 5 percent above the 1955 crop average and a postwar high. Canadian exports in the coming year will probably be their second largest on record. Although the great bulk of Canada's exports go to the United Kingdom, Australia also takes some Canadian flue-cured; and during the first 7 months, exports to The Netherlands at 1.2 million pounds were relatively much larger than usual.

The 1955-56 crop of Indian flue-cured, at 128 million pounds, was about the same as a year earlier. The United Kingdom is the principal export outlet for Indian tobacco. Other outlets usually taking sizeable quantities of Indian

tobacco are China, Japan, Netherlands, Belgium, Austria, Denmark, Egypt, Indonesia, and Hong Kong.

The 1956 tobacco crop in Turkey is estimated at 246 million pounds slightly lower than a year earlier. During January-August 1956, tobacco exports from Turkey went principally to the United States, Eastern Germany, Western Germany, Poland, Czechoslovakia, Italy, Austria, and Egypt. Shipments to United States, Eastern and Western Germany, Czechoslovakia, and Egypt were well ahead of those in the same period a year earlier.

The 1956 tobacco crop in Greece is estimated at 168 million pounds -- about one-fifth lower than last year's record crop but above any previous year. During the first three-quarters of 1956, principal export outlets were Western Germany, the United States, Austria, Soviet Union, Finland, Egypt, France, Eastern Germany, and Portugal. All except Austria, Soviet Union, and Portugal took more than in the same period of 1955.

British Tobacco Situation

British home consumption of tobacco during 1956, will probably be a little more than the 1955 total of 236 million pounds, and second only to the record 250 million pounds in 1946. During the first three-quarters of 1956, domestic consumption was about equal with that in the same period of 1955. British exports of manufactured tobacco, mainly cigarettes, are expected to be a little less than in 1955. During the first 10 months of 1956, exports totaled about 36 million pounds -- 3 percent less than in the same period of a year earlier. Exports of cigarettes to Australia, Western Germany, and Egypt dropped sharply, but such leading outlets as Singapore, Malaya, Hong Kong, and Aden received more. Belgian Congo and New Zealand got almost the same as a year earlier. As in the case of the United States, the United Kingdom ships cigarettes to a great many foreign destinations, although about three-fourths of Britian's cigarette exports go to Commonwealth countries or areas.

During the first 9 months of 1956 gross clearances of tobacco from bond, which are indicative of combined domestic use and exports, were about even with those in the same months of 1955. In the first two-thirds of 1956, gross clearances of United States flue-cured were only about 1 percent above the same period of 1955. Comparing the same two periods, gross clearances of Southern Rhodesian, Indian, and Canadian flue-cured increased about 6, 5, and 2 percent, respectively. Gross clearances of Nyasaland dark fire- and air-cured fell off 7 percent; there were also declines in Turkish and Greek oriental tobacco and Indian air- and sun-cured.

British imports of unmanufactured tobacco during January-October 1956 at 243 million pounds, were 10 percent lower than in the corresponding 1955 period. More than nine-tenths of total imports were flue-cured tobacco. Tobacco imports from the United States were 8 percent lower in January-October 1956 than in January-October 1955. Imports from Rhodesia and Nyasaland were 6 percent smaller; from India, about 24 percent larger; and from Canada 52 percent lower.

Table 6.- United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports 1/			Stocks Dec. 31	Gross clearances from bond 3/			Exports of manufactured tobacco	Re-exports of unmanufactured tobacco
	From U. S. 2/	From Commonwealth countries 2/	Total		Nonpreferential 2/	Preferential 2/	Total		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average									
1934-38	213	57	275	497	185	47	232	39	12
1939-45	182	63	255	310	215	62	277	27	5
1946	366	62	433	383	261	61	322	55	7
1947	201	82	296	384	235	57	292	52	1
1948	172	97	281	390	204	67	271	45	1
1949	154	119	302	419	190	81	271	47	2
1950	144	146	306	445	180	91	271	43	4
1951	212	131	355	498	183	104	287	51	7
1952	67	143	224	430	172	108	280	47	12
1953	174	127	316	452	167	116	283	45	9
1954	160	139	312	468	168	122	290	41	4
1955 4/	179	149	344	506	173	125	298	44	4
Jan.-Oct.									
1954	106	113	229	5/409	6/123	6/91	6/214	34	3
1955	128	132	272	5/454	6/127	6/91	6/218	37	4
1956	118	116	243	5/472	6/126	6/92	6/218	36	2

1/ Unmanufactured tobacco.
2/ Since 1946 the full duty rate on tobacco from the United States and other nonpreferential areas has been about 3 percent above the preferential rate on tobacco from Commonwealth areas. In the prewar period, the full duty rate was over 25 percent above the preferential rate.
3/ Largely withdrawals for manufactures for home use and export.
4/ Subject to revision.
5/ September 30.
6/ January-September.

Compiled from the Annual Statement of Trade and Accounts Relating to Trade and Navigation of the United Kingdom.

Stocks of tobacco in the United Kingdom at the end of September totaled 471½ million pounds--4 percent higher than a year earlier and above September 30 levels for other postwar years.

At the end of August 1956, total stocks were 445 million pounds of which 207 million was United States flue-cured. Stocks of United States flue-cured on August 31 were 16 percent larger than a year earlier. The August 31 stocks of Rhodesian flue-cured, at 86 million pounds, were 9 percent below a year earlier, but stocks of Indian flue-cured, at 66½ million, were up 13 percent. Stocks of Canadian flue-cured in the United Kingdom totaled 38 million pounds--20 percent less than a year earlier.

British stocks of fire-cured and air- and sun-cured, at the end of August, were about one-sixth smaller than a year earlier; stocks of oriental tobacco were down a little.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

United States imports of foreign grown tobacco in 1956 will probably exceed all previous records. During the first 10 months, they were 10 percent above those in the same period of 1955. The 9 and 5 percent increases in cigarette leaf imports from Turkey and Greece more than offset decreases in those from Yugoslavia and Syria. Stocks of foreign grown cigarette and smoking tobacco on hand in this country October 1 totaled 174 million pounds--14 percent more than a year earlier and 5 percent above the previous October high recorded in 1951.

Imports of cigar filler and scrap constitute the major proportion of non-cigarette tobacco imports, and for the most part came from Cuba. Imports of scrap from Cuba were up sharply and of stemmed filler up moderately compared with a year earlier; however, considerably less unstemmed filler entered.

Imports of Philippine scrap, which increased very sharply above the exceedingly low level of a year ago, are reflected in the much larger stocks now held in this country. Stocks of Philippine tobacco on October 1 totaled 5.3 million pounds--more than 6 times the year ago total and 2½ times the 1953 postwar peak.

Imports of cigar wrapper from Indonesia dropped way down, but more cigar wrapper was received from Cuba. Stocks of Sumatra and Java tobacco in the United States have dropped to an extremely low level--115,000 pounds on October 1. This is far below the approximately 300,000 to 800,000-pound range reported during the last several years.

Imports of tobacco stems (free of import duty) from Cuba have increased sharply during the last 2 or 3 years.

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 7.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Average 1934-38	Average 1949-53	1954 1/	1955 1/	January-October 1955 1/	January-October 1956 1/	January-October 1956 as percentage of 1955
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Percent
Cigarette leaf							
Unstemmed:							
Turkey	18.2	51.6	56.0	57.7	48.3	52.5	109
Greece	18.8	12.1	15.6	17.9	15.1	15.9	105
Syria	.5	3.7	2.9	2.4	2.1	1.4	67
Italy	4.7	.6	1.9	1.5	1.3	1.6	123
Malta	.1	.1	.2	.3	.2	.4	200
Yugoslavia	0	.6	2.3	3.5	3.2	2.3	72
Total 2/	44.4	73.4	79.3	83.7	70.6	74.8	106
Cigar leaf (filler)							
Cuba:							
Stemmed	7.1	10.7	9.1	8.8	7.6	7.9	104
Unstemmed	4.1	4.1	4.7	5.0	4.7	3.3	70
Philippines, Rep.:							
Stemmed	3/	.6	4/	0	0	4/	---
Unstemmed		.2	4/	0	0	.5	---
Total 2/	11.3	15.6	13.9	13.8	12.3	11.7	95
Scrap:							
Cuba	2.9	6.6	9.7	9.4	7.7	9.7	126
Philippines, Rep.	3/3.2	.8	1.4	2.4	1.0	4.5	450
Total 2/	6.1	7.5	11.1	11.8	8.7	14.2	163
Cigar wrapper (unst.):							
Indonesia	5/1.9	.7	.4	.3	.3	.1	33
Cuba	.2	.3	.5	.5	.4	.5	125
Total 2/	2.1	1.0	.9	.8	.7	.7	100
Stems: 6/							
Cuba	0	4/	.6	.6	.5	.6	120
United Kingdom	1.7	.3	.6	.5	.4	.4	100
Total 2/	2.4	.7	1.2	1.1	.9	1.0	111
Total imports	66.3	98.2	106.4	111.2	93.2	102.4	110

1/ Preliminary. 2/ Includes relatively small quantities from other countries not separately listed. 3/ Reported as leaf in 1934-35 and as scrap in 1936-38. 4/ Less than 50,000 pounds. 5/ From Netherlands Indies or Netherlands. 6/ Not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

SOIL BANK PROGRAM

The Secretary of Agriculture announced November 30 the rates of payment and acreage reserve goals for the 1957 Soil Bank Program for the eligible tobacco types. On December 12 the national average yields for purposes of the Soil Bank Program and approximate national average rates per acre were announced. For these data, see table 8.

Table 8.- 1957 Tobacco Soil Bank Program: Acreage reserve goals, national average yields, "base" unit rates and approximate national rates per acres, by types

Types of tobacco	Acreage reserve goal	National average yield for Soil Bank Program	Rate of payment per pound	Approximate national average rate of payment per acre
	Acres	Pounds	Cents	Dollars
Flue-cured (11-14)	70,000-80,000	1,419	18	255
Burley (31)	30,000-35,000	1,643	18	296
Maryland (32)	6,500- 7,500	869	17	148
Fire-cured (21-23)	6,000- 7,000	1,330	13	173
Dark air-cured (35-36)	2,000- 3,000	1,460	12	175
Va. sun-cured (37)	400- 600	1,151	12	138
Cigar filler (42-44)	400- 600	1,615	9	145
Cigar binder (51)	3,500- 4,000	1,772	19	337
Cigar binder (52)	2,600- 3,200	1,919	18	345
Cigar binder (54)	500- 700	1,570	8	126
Cigar binder (55)	1,000- 1,500	1,518	11	167

Accurate farm production information on tobacco is available and payment rates will be determined farm-by-farm. The Soil Bank yield figure, which has already been established for the farm, will be multiplied by national rate of payment to get the farm per-acre payment rate. Payment rates per acre for individual tobacco farms, as a group, will tend to average close to the national per-acre payment rate.

In 1956 participation in the Soil Bank Program for tobacco was handicapped by a late start. The law was enacted after much of the tobacco crop

had been planted. The participation in the 1956 Acreage Reserve Program by types was as follows:

Types	Number of agreements	Acreage placed in reserve	Types	Number of agreements	Acreage placed in reserve
Flue-cured (11-14)	6,093	10,329	Cigar filler (42-44)	54	117
Burley (31)	5,753	3,752	Cigar binder (51)	758	3,525
Maryland (32)	1,104	3,915	Cigar binder (52)	957	3,220
Dark air-cured (35-36)	1,125	919	Cigar binder (54)	144	338
Va. sun-cured (37)	1,208	1,779	Cigar binder (55)	1,028	1,826
Fire-cured (21-23)	1,770	1,951	All types	19,994	31,671

OUTLOOK AND SITUATION FOR TOBACCO LEAF
Flue-cured, Types 11-14

Prices

The 1957 crop of flue-cured will be supported at 90 percent of parity. The base price for calculating the 1957 flue-cured parity probably will change only slightly. If the parity index (prices paid by farmers for commodities, interest, taxes and wages) should continue near the current level, the 1957 support level would be a little higher than the 48.9 cents per pound in effect during the 1956 season.

Major changes in the 1957 flue-cured tobacco price support program--changes which are expected to discourage production of varieties viewed as undesirable under present demand conditions and to encourage an increase in the proportion of the crop having characteristics currently in demand--were announced December 18.

These changes, which were in accord with recommendations of grower organizations and industry leaders in the flue-cured tobacco area, are as follows:

(1) 1957-crop flue-cured tobacco of varieties "139", "140," and "244" irrespective of grade, will be supported at one-half the support rates for comparable grades of other varieties.

(2) Price support rates for individual grades of all flue-cured varieties will be adjusted to reflect current demand patterns. This is designed to encourage growers to follow cultural practices that will result in a larger share of the crop having desirable flavor and aroma characteristics.

The 1956 season average price for gross sales (includes resales) through December was 51.2 cents per pound--about 1 cent less than in each of the previous 2 seasons. Marketings are nearly completed, but a few sales will be held in 3 Old Belt markets in January.

In the Georgia-Florida Belt, although prices averaged 3 percent above a year ago, volume was about 14 percent less than last year's record.

In the Border Belt, prices averaged slightly below a year ago and volume was about 11 percent less than the peak high of 1955.

Table 9.- Flue-cured tobacco: Average price per pound and percentage comparisons by Belt, 1947-56

Marketing season	Old Belt type 11 (a)	Middle Belt type 11 (b)	Eastern N. C. type 12	Border Belt type 13	Ga.-Fla. type 14	All Belts
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
1947	38.1	42.2	43.0	41.9	37.8	41.1
1948	49.2	50.1	49.3	50.5	47.2	49.4
1949	45.5	47.7	48.8	48.9	40.1	46.9
1950	53.4	56.2	56.5	55.4	48.1	54.6
1951	50.4	53.8	55.1	51.9	46.3	52.2
1952	48.4	49.4	50.5	51.9	49.2	50.1
1953	42.0	47.0	57.1	56.7	51.1	52.5
1954	52.0	52.3	54.7	51.3	46.5	52.1
1955	53.8	52.4	52.3	53.7	46.5	52.2
1956 1/	2/50.0	51.9	51.4	53.2	48.0	51.2
	Price for each type as percentage of price for all types combined					
	Percent	Percent	Percent	Percent	Percent	Percent
1947	92.7	102.7	104.6	101.9	92.0	100.0
1948	99.6	101.4	99.8	102.2	95.5	100.0
1949	97.0	101.7	104.1	104.3	85.5	100.0
1950	97.8	102.9	103.5	101.5	88.1	100.0
1951	96.6	103.1	105.6	99.4	88.7	100.0
1952	96.6	98.6	100.8	103.6	98.2	100.0
1953	80.0	89.5	108.8	108.0	97.3	100.0
1954	99.8	100.4	105.0	98.3	89.3	100.0
1955	103.1	100.4	100.2	102.9	89.1	100.0
1956	97.7	101.4	100.4	103.9	93.8	100.0

1/ Preliminary. 2/ Sales through mid-December. A few sales will be held on 3 markets in January.

In the Eastern Belt, prices averaged 2 percent below a year ago and the lowest in 4 years; volume fell about 4 percent from last year's record.

In the Middle Belt, prices averaged only slightly below each of the last 2 seasons, but volume was about 5 percent larger than last year and the second largest on record.

Table 10.- Flue-cured tobacco: Volume of gross sales (includes resales) and percentage distribution by belt, 1947-56

Marketing season	Old Belt type 11(a)	Middle Belt type 11(b)	Eastern N. C. type 12	Border Belt type 13	Ga.-Fla. type 14	All belts
	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.
1947	278	176	483	299	171	1,407
1948	256	157	392	258	134	1,197
1949	243	137	406	283	155	1,224
1950	315	171	448	302	142	1,378
1951	312	187	527	357	192	1,575
1952	328	177	488	333	180	1,506
1953	254	138	480	348	192	1,412
1954	288	161	522	309	188	1,468
1955	311	170	528	371	213	1,593
1956 1/	2/329	179	508	332	183	1,531
	Percentage of total					
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1947	19.8	12.5	34.3	21.2	12.2	100.0
1948	21.4	13.1	32.7	21.6	11.2	100.0
1949	19.8	11.2	33.2	23.1	12.7	100.0
1950	22.9	12.4	32.5	21.9	10.3	100.0
1951	19.8	11.9	33.4	22.7	12.2	100.0
1952	21.8	11.8	32.4	22.1	11.9	100.0
1953	18.0	9.8	34.0	24.6	13.6	100.0
1954	19.6	11.0	35.6	21.0	12.8	100.0
1955	19.5	10.7	33.1	23.3	13.4	100.0
1956	21.5	11.7	33.2	21.7	11.9	100.0

1/ Preliminary.
2/ Sales through mid-December. A few sales will be held on 3 markets in January.

In the Old Belt, prices averaged about 6 percent less than last season's record high; volume of sales, however, has exceeded last year's and was slightly above the 1952 peak.

Generally in all belts, prices of many leaf and smoking leaf grades and the nondescript group were higher than last year but prices of cutters, lugs, and primings were lower. In effect, prices rose for grades composed of leaves from the top half of the tobacco plant, but declined for grades of leaves from the lower half of the plant.

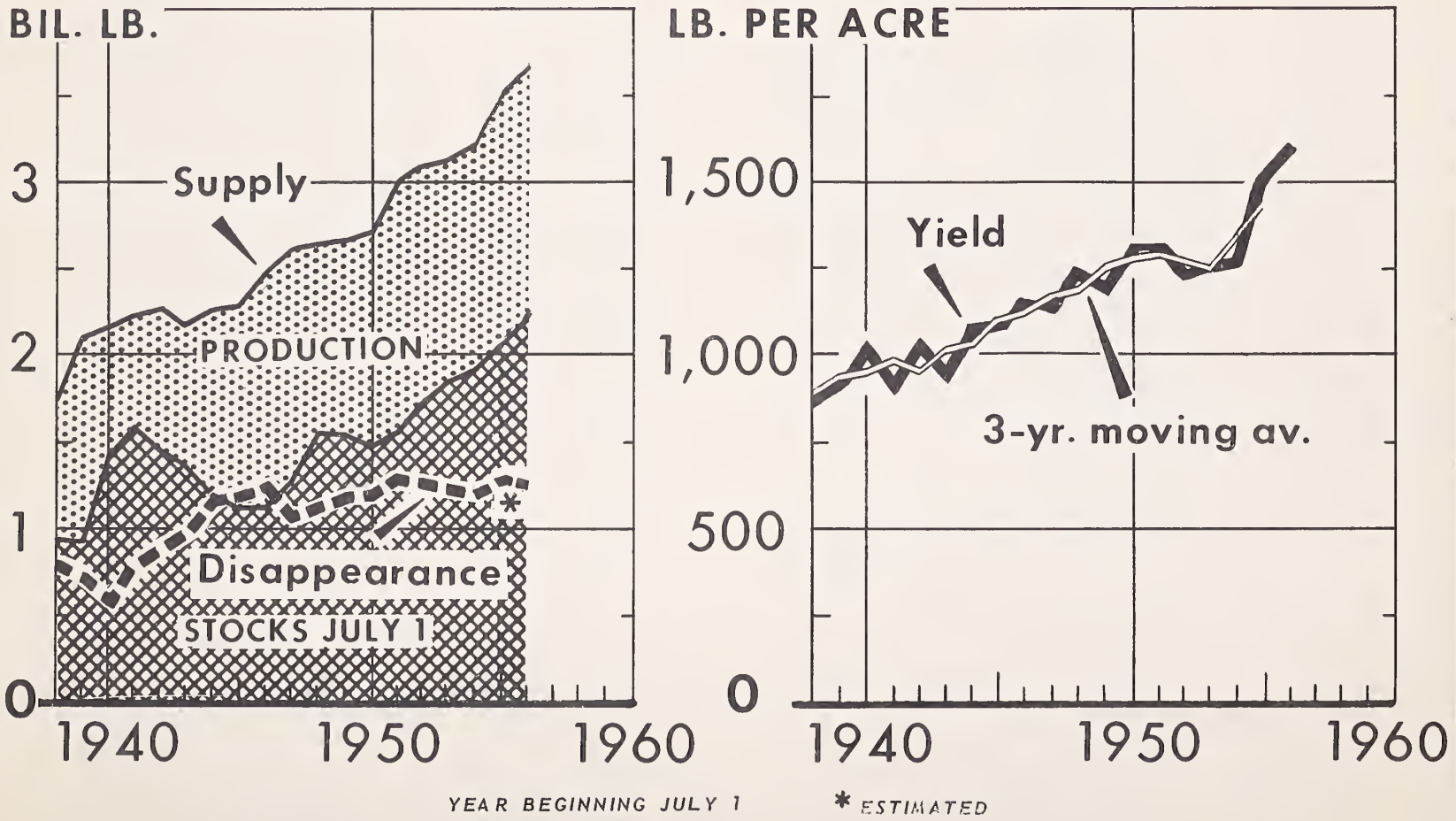
The quantity of flue-cured placed under Government loan in the 1956 season totaled about 320 million pounds or about 23 percent of the crop--a larger volume and a higher proportion than in any previous season. This is the second season in a row of very heavy receipts for loans, since one-fifth of the record 1955 crop also went under loan. In the Georgia-Florida Belt, receipts for loans amounted to about 13.6 million pounds or 8 percent of estimated producers' sales--much less than last season's high. In the Border Belt, nearly 63 million pounds were placed under loan--a volume second only to last year's record and nearly 21 percent of estimated producers' sales. In the Eastern Belt, loan receipts hit a new high of 128 million pounds--approximately 27 percent of producers' sales. In the Middle Belt, loan receipts were far above those for any previous season--nearly 51 million pounds or about 30 percent of producers' sales. In the Old Belt through December, placements under Government loan totaled about 65 million pounds--well above each of the 2 previous seasons and roughly 20 percent of estimated producers' sales.

Supplies

The 1956-57 total supply of flue-cured is a record 3,668 million pounds --nearly 4 percent larger than for 1955-56. The 1956 crop of 1,410 million pounds was only 5 percent lower than 1955 despite a 11½ percent drop in acreage. Yields per acre averaged a record 1,609 pounds--7½ percent above the previous high reached last year. The decrease in production was more than offset by the 10 percent rise in carryover from mid-1955 to mid-1956. The 1956-57 total supply is about 3.0 times prospective disappearance; a more normal ratio is about 2.5

Carryover of flue-cured on July 1, 1957, is expected to be a new high of about 2,430 million pounds and roughly 170 million greater than a year earlier. The 1957 marketing quota announced November 27 establishes an acreage allotment totaling 712,600 acres, compared with 887,600 acres allotted in 1956. As a result, most individual farm allotments will be reduced 20 percent. Some additional reduction in acreage may also result from participation in the Soil Bank Program. If yields per acre should be near the recent 3-year average, next year's production would approximate 1,000 million pounds. If yields again are near the recent 2-year average, 1957 production may range near 1,100 million pounds. Production within this range, plus the carryover that seems probable for mid-1957 will reduce the 1957-58 total supply of flue-cured by about 5 percent below the record 1956-57 level.

SUPPLY, DISAPPEARANCE, AND YIELD OF FLUE-CURED TOBACCO



U. S. DEPARTMENT OF AGRICULTURE NEG. 3746-56 (12) AGRICULTURAL MARKETING SERVICE

Table 11--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, July 1	Supply	Disappearance 1/ Total	Domestic	Exports	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	741	845	1,586	704	338	366	22.9
1941-45	902	1,349	2,251	992	617	375	38.5
1946	1,352	1,147	2,499	1,212	659	553	48.3
1947	1,317	1,287	2,604	1,054	695	359	41.2
1948	1,090	1,550	2,640	1,102	720	382	49.6
1949	1,115	1,538	2,653	1,168	729	439	47.2
1950	1,257	1,485	2,742	1,185	757	428	54.7
1951	1,453	1,557	3,010	1,279	777	502	52.4
1952	1,365	1,731	3,096	1,244	828	416	50.3
1953	1,272	1,852	3,124	1,209	778	431	52.8
1954	1,314	1,915	3,229	1,173	744	429	52.7
1955 2/	1,483	2,056	3,539	1,281	728	553	52.7
1956 2/	1,410	2,258	3,668				*51.2

	Parity price 3/	Price support level	Placed under Government loan: Quantity	Percentage of crop	Remaining in Government loan stocks on November 30, 1956 4/
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1946	35.7	32.1	66.5	4.9	0
1947	44.4	40.0	232.3	17.6	0
1948	48.8	43.9	106.1	9.7	0
1949	47.2	42.5	103.5	9.3	0
1950	50.0	45.0	77.6	6.2	0
1951	56.3	50.7	142.2	9.8	0
1952	56.2	50.6	5/165.0	12.1	30.7
1953	53.2	47.9	151.4	11.9	30.4
1954	53.2	47.9	130.3	9.9	65.7
1955	53.7	48.3	298.1	20.1	270.2
1956	53.6	48.9	2/320.0	23.0	6/290.0
Total	---	---	1,793.0	---	687.0

1/ Year beginning July 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953. 6/ About an additional 30 million pounds went under loan since November 30 report. *Auction average price.

Domestic Use and Exports

Domestic use of flue-cured during the current marketing year (July 1956-June 1957) is not expected to be markedly different from the 728 million pounds of last year. The great bulk of domestically used flue-cured goes for cigarette manufacture. Although the number of cigarettes manufactured will probably total more than in 1955-56, total utilization of tobacco on a farm-sales weight basis is not expected to show much change. On the average, filter tip cigarettes, which have increased sharply and are probably still increasing, require less tobacco per cigarette than non-filter tips. An additional explanation and one of indeterminate importance in the overall picture, is that more complete use is now made of leaves including midribs (stems), for example, in processed sheet. The downtrend in leaf use per cigarette has been mainly since mid-1954.

If 1,000 cigarettes manufactured in 1955-56 required as much flue-cured leaf as in 1953-54, total domestic use of flue-cured in 1955-56 would have been about 35 million pounds greater than it actually was.

Exports of flue-cured during 1956-57 are expected to be between 470 and 500 million pounds (farm-sales weight) compared with 553 million in 1955-56. Two adverse influences on exports were some flue-cured with undesirable characteristics and higher prices for medium-priced grades, sizeable quantities of which are exported. During July-October 1956, flue-cured exports were 26 percent lower than during the same months of 1955. The top ranking importer, the United Kingdom, took 37 percent less than during the same months of a year ago, when Public Law 480 shipments to Britain were substantial. Among other top ranking outlets, Western Germany, Australia, Belgium, and Ireland each received approximately 15 to 30 percent less, respectively, than a year earlier, but The Netherlands and Denmark took 43 and 18 percent more. Substantially greater exports to Indonesia during the first third of 1956-57 than a year earlier reflected sales provided for under a Public Law 480 agreement; a significant quantity was also shipped to Japan under the P. L. 480 program. Exports to Pakistan and Italy likewise were larger as a result of shipments under this program. Exports to Thailand and Norway about equalled those in July-October of 1955. The Philippine Republic took sharply less than a year ago. Other countries taking less flue-cured in July-October 1956 than in the comparable period of 1955 were New Zealand, Egypt, Spain, Finland, and Austria. However, there were increases to Sweden, Hong Kong, Switzerland, Portugal, Indochina, and India.

Burley, Type 31

Prices

Burley auction markets began November 27, and prices through mid-December for gross sales (includes resales) averaged 63.3 cents per pound--8 percent higher than in the comparable period of a year ago. Approximately two-thirds of the crop had been sold by mid-December, and the season average price will probably top the previous high obtained for the 1955 crop. Markets are closed for the holiday period from December 21 through January 1.

Thus far prices for many of the leaf and tips grades have been sharply above last season's but prices for most lugs and flyings grades have been only a little above last season's levels. The high market average results from the extremely strong demand for certain qualities. Most of the surplus is in loan stocks which consists almost entirely of the highest priced grades.

The Government support level for 1956 burley is 48.1 cents per pound--4 percent higher than for the 1955 crop. Receipts for Government loan through mid-December which totaled about 5 million pounds ($1\frac{1}{2}$ percent of gross sales) were much less than in the comparable period of last season.

The 1957 crop of burley will be supported at 90 percent of parity. Assuming the recent level of the parity index and the probable adjusted base price for computing the 1957 burley parity, the average support level for the 1957 burley crop will be moderately above that for the 1956 crop.

Supplies

The 1956-57 total supply of burley tobacco is 1,795 million pounds--1 percent lower than for 1955-56 and nearly 4 percent below the peak level of 2 years ago. The 1956 crop, 494 million pounds, is 5 percent larger than last year's, but carryover receded 3 percent from the record high of a year earlier. Burley yields are estimated at an average 1,591 pounds per acre this year--slightly more than the previous record average in 1954.

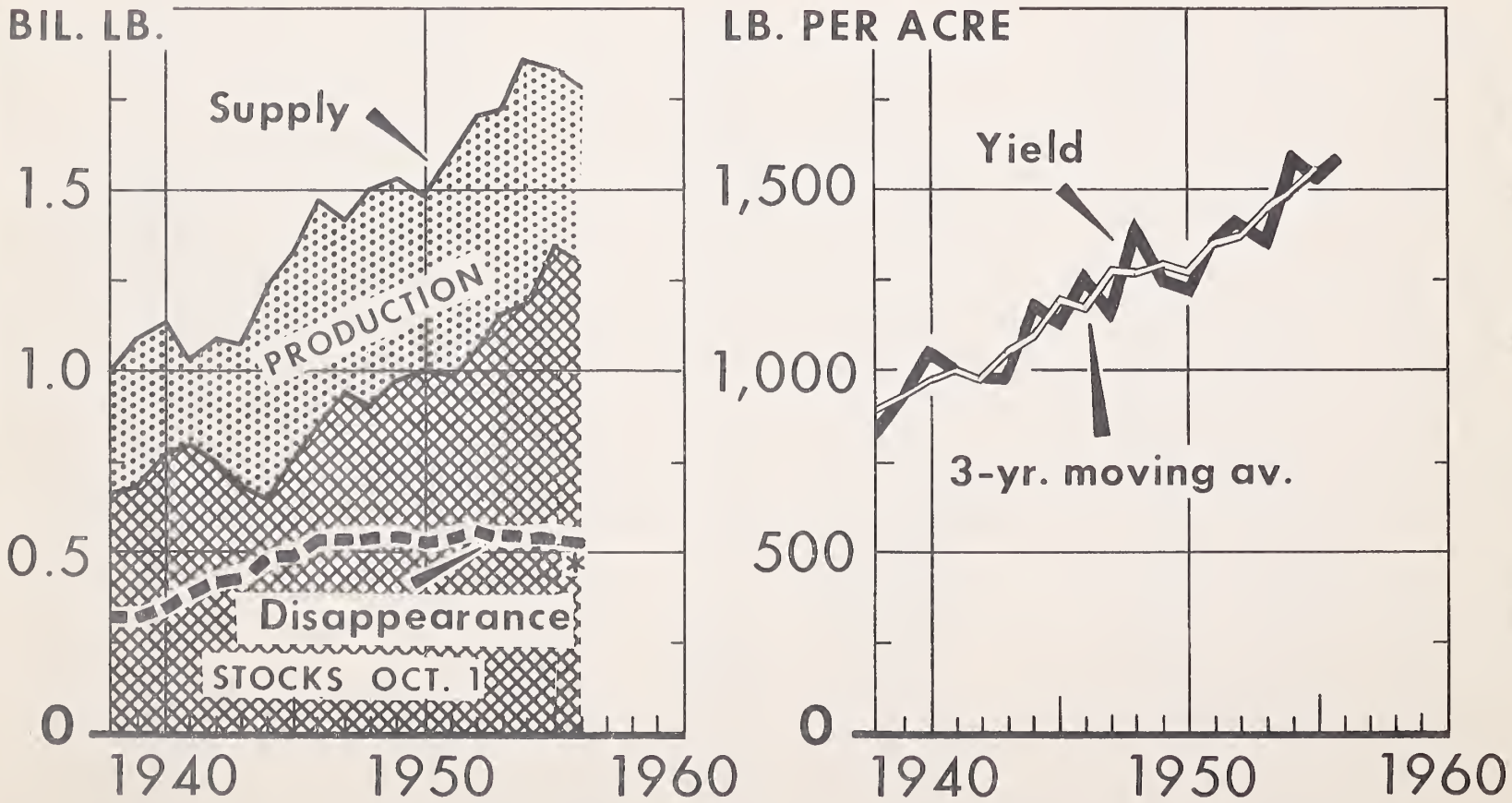
Although burley supplies have declined somewhat during the last 2 years and certain grades have become scarce, the 1956-57 level remains $3\frac{1}{2}$ times prospective disappearance--well above supply levels for most years prior to 1953-54.

The 1957 burley marketing quota and acreage allotment will be announced by February 1.

Domestic Use and Exports

During the current marketing year (October 1956-September 1957), domestic use of burley is expected to be fairly close to 482 million pounds used during 1955-56. Available data indicate that despite the 3 percent increase in output of cigarettes during October 1955-September 1956 above a year earlier, the use of burley in cigarettes held only about even. This implies that the burley used per unit of output was a little less than in 1954-55. The gradual decline in use of burley per 1,000 cigarettes, apparently began 2 or 3 years ago, and is believed partly attributable to the smaller quantity of tobacco required per unit of output for filter tip cigarettes, which have taken a greatly increased share of the market in the last 3 years. The more complete use of leaves including midribs (stems) probably is another factor contributing to the smaller leaf requirement per unit of

SUPPLY, DISAPPEARANCE, AND YIELD OF BURLEY TOBACCO



YEAR BEGINNING OCT. 1 * ESTIMATED

U. S. DEPARTMENT OF AGRICULTURE NEG. 1957-56 (12) AGRICULTURAL MARKETING SERVICE

Table 12--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods
(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/ Total	Disappearance 1/ Domestic	Disappearance 1/ Exports	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	287	701	988	314	302	12	22.2
1941-45	448	730	1,178	437	424	13	40.0
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949	561	974	1,535	535	494	41	45.2
1950	499	1,000	1,499	518	488	30	49.0
1951	618	981	1,599	538	506	32	51.2
1952	650	1,061	1,711	548	519	29	50.3
1953	564	1,163	1,727	529	494	35	52.5
1954	668	1,198	1,866	519	486	33	49.8
1955 2/	470	1,347	1,817	516	482	34	58.6
1956 2/	494	1,301	1,795				

	Parity price 3/	Price support level	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop	Remaining in Government loan stocks on November 30, 1956 4/
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1946	37.3	33.6	147.8	24.1	0
1947	44.8	40.3	37.7	7.8	0
1948	47.1	42.4	96.7	16.0	0
1949	44.8	40.3	39.1	7.0	0
1950	50.8	45.7	44.2	8.9	0
1951	55.3	49.8	97.3	15.7	36.5
1952	55.0	49.5	103.9	16.0	23.1
1953	51.8	46.6	102.1	17.9	64.1
1954	51.5	46.4	221.4	33.2	177.5
1955	51.3	46.2	73.0	15.5	73.0
1956	52.5	48.1	5/	5/	5/1.8
Total	---	---	963.2	---	6/376.0

1/ Year beginning October 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ Through mid-December, about 5 million pounds--1½ percent of gross sales, placed under loan. 6/ Of this, roughly 67 million pounds were sold since November 30 report.

cigarette output. If each 1,000 cigarettes manufactured in the year ending September 30, 1956 had absorbed as much burley leaf as in 1953-54, the domestic use of burley would have been 15 to 20 million pounds greater than it was. Other factors contributing to less domestic use of burley in 1955-56 were the 12 and 7 percent declines from a year earlier in smoking and plug chewing tobacco manufactures.

Exports of burley during 1956-57 may not equal the 34 million pounds (farm-sales weight) of 1955-56. Sharp advances in the price of both lower- and medium-price grades will make it difficult for some foreign countries, usually taking such grades, to get normal amounts. The 1955-56 exports of burley were 4 percent more than in 1954-55. Germany and Portugal ranked first and second, together accounted for more than one-third of total burley exports. They took 19 and 18 percent more than a year earlier and the most for several years.

Belgium, the third ranking outlet, took only slightly more than in 1954-55, but Sweden, ranking fourth, took 41 percent more. Mexico, ranked fifth, and took considerably more than its unusually small 1954-55 quantity, but much less than in 1953-54 or 1952-53. The next ranking outlets were Netherlands, which took 13 percent less than a year earlier, and Egypt, Norway, and Finland, each of which got substantially more in 1955-56 than in 1954-55. The P. L. 480 program aided burley exports to Finland, and also Italy which got about the same shipment in 1955-56 as in 1954-55. Exports of burley to France, the Philippine Republic, Denmark, Austria, and Australia fell sharply; none went to Japan or the United Kingdom in 1955-56, in contrast to significant quantities in 1954-55. Switzerland increased her purchases to some extent but less went to Hong Kong than a year earlier.

Maryland, Type 32 3/

Prices

The 1956 Maryland crop will go to auctions next spring and summer. Auction markets usually open in May and run until early August. About one-tenth of the Maryland crop is sold at the Baltimore hogshead market.

Because the 1956 crop was produced under a marketing quota, its price will be supported at 90 percent of parity; the level of support is 47.0 cents per pound. This will be the first crop since 1953 to be supported. The season average price for the small 1955 crop (reduced by storm) was 49.8 cents per pound.

3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--the 12-month period, October 1 through September 30. Disappearance is calculated on the October-September basis.

Table 13.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks following Jan. 1 1/	Supply	Disappearance 2/ Total	Domestic	Exports	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	27.5	38.4	65.9	26.5	21.1	5.4	19.7
1941-45	29.4	44.1	71.5	29.7	27.1	2.6	48.9
1946	46.2	32.4	78.6	34.0	28.3	5.7	44.5
1947	37.8	44.9	82.7	34.3	27.0	7.3	42.8
1948	35.0	46.9	81.9	37.0	27.7	9.3	54.4
1949	41.2	45.5	86.7	35.4	28.0	7.4	48.3
1950	40.0	53.4	93.4	35.5	27.1	8.4	48.2
1951	41.6	59.3	100.9	33.3	26.7	6.6	44.8
1952	40.2	64.9	105.1	40.2	32.4	7.8	48.8
1953	40.5	65.4	105.9	36.4	28.4	8.0	54.5
1954	43.8	68.6	112.4	36.1	27.9	8.2	40.3
1955	33.1	77.5	110.6	39.8	26.9	12.9	49.8
1956 3/.....	38.5	*71.5	*110.0				

	Parity price 4/	Price support level	Placed under Government loan: Quantity	Percentage of crop	Remaining in Government loan stocks on November 30, 1956 5/
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1946	30.0	27.0	0	---	0
1947	36.2	32.6	0	---	0
1948	48.8	43.9	3.0	8.6	.8
1949	46.5	41.8	2.6	6.3	.6
1950	56.5	48.6	5.5	13.8	1.3
1951	60.6	6/	6/	6/	6/
1952	58.5	6/	6/	6/	6/
1953	56.0	50.4	6.7	18.1	5.0
1954	53.5	6/	6/	6/	6/
1955	53.3	6/	6/	6/	6/
1956	51.3	47.0	Mostly to be marketed next spring and summer		
Total	---	---	17.8	---	7.7

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ As of applicable date when support level was computed or October 1. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ No support since marketing quota was not approved by two-thirds of growers voting. *Estimated.

The 1957 Maryland crop will also be under a marketing quota, and price support will be at 90 percent of the applicable parity price.

Supplies

The 1956 crop of Maryland tobacco is estimated at 38½ million pounds 16 percent greater than the 1955 crop which was greatly reduced by storm damage. The 1956 crop is about the same as the 1945-54 average. This year's crop, when added to the estimated carryover of about 71½ million pounds, on January 1, 1957, provides a total supply of about 110 million pounds--almost as much as a year ago. Although carryover is estimated about 8 percent lower than a year ago, the 1956 crop increase over 1955 virtually offsets it.

Domestic Use and Exports

Domestic use of Maryland tobacco in the year ended September 30, 1956, was 26.8 million pounds--about 1.1 million less than in 1954-55 and 1.6 million below 1953-54. Maryland tobacco is primarily a cigarette tobacco, and apparently has shared in the reduction that occurred in the use of flue-cured and burley. Some Maryland tobacco is used in cigars, but this probably fluctuates according to the availability of certain grades from year to year.

Exports of Maryland tobacco during the year ended September 30 totaled 12.9 million pounds--57 to 65 percent above each of the previous 3 years. The recent year's exports were the highest since the late 1920's--a period when more than half of the Maryland crop was exported. Switzerland, the leading outlet as usual, took more than three-fifths of the total exports of this type. Swiss takings, which jumped 46 percent above those in 1955-56, were the largest since the mid-1920's. Germany, the second ranking destination, took a record amount--nearly three times as much in 1955-56 as in 1954-55. Belgium, ranked third, took approximately double the quantity of each of the preceding three years. Netherlands raised her taking slightly above 1954-55, and significant quantities were reported going to Austria and Trieste. France took less, and Spain took only about one-half as much in 1955-56 as in 1954-55.

Fire-Cured, Types 21-23

Prices

Auction markets for Virginia fire-cured tobacco (type 21) began on November 26. For sales through December 13, prices averaged 40.0 cents per pound--one-fourth higher than in the comparable period of last season. Markets are closed from December 14 until January 2. Quality was much better this season than last when storms damaged the crop. Auctions for Kentucky and Tennessee fire-cured begin during January.

The Government support level for 1956 fire-cured is 36.1 cents per pound--1½ cents higher than a year ago. The support for fire-cured is computed at 75 percent of the burley support level, which is 90 percent of the

Table 14.--Fire-cured tobacco, types 21-23 1/: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 2/ Total	Domestic	Exports	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1941-45	66.1	170.7	236.8	81.9	49.6	38.3	22.1
1946	108.9	104.9	213.8	70.4	36.0	34.4	26.0
1947	86.4	143.4	229.8	67.2	36.9	30.3	29.5
1948	73.2	162.6	235.8	77.9	34.7	43.2	31.9
1949	72.2	157.9	230.1	65.2	36.5	28.7	29.8
1950	58.3	164.9	223.2	76.0	36.7	39.3	31.2
1951	59.5	147.2	206.7	59.8	32.2	27.6	40.0
1952	58.2	146.9	205.1	58.8	29.6	29.2	37.6
1953	48.9	146.3	195.2	61.2	32.9	28.3	33.8
1954	62.2	134.0	196.2	59.1	29.9	29.2	37.8
1955 3/	65.2	137.1	202.3	64.6	31.1	33.5	37.3
1956 3/	67.1	137.7	204.8				

	Parity price 4/	Price support level 5/	Placed under Government loan: Quantity	Percentage of crop	Remaining in Government loan stocks on November 30, 1956 6/
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1946	17.8	25.2	40.8	37.5	0
1947	21.5	30.2	31.3	36.2	2.6
1948	22.6	31.8	27.3	37.3	3.6
1949	21.5	30.2	18.7	25.9	4.4
1950	30.3	34.3	12.2	20.9	7.2
1951	33.6	37.4	7.5	12.6	4.4
1952	34.8	37.1	10.9	18.7	5.6
1953	34.4	35.0	8.2	16.8	4.1
1954	34.8	34.8	6.9	11.1	4.6
1955	35.8	34.6	9.7	14.7	8.8
1956	35.5	36.1	7/	7/	7/
Total	---	---	173.5	---	45.3

1/ Type 24 included until early 1950's when it became practically nonexistent. 2/ Year beginning October 1. 3/ Subject to revision. 4/ As of applicable date when support level was computed. 5/ Not based on parity but set by law at 75 percent of the burley support. 6/ Actual loan stocks on a packed-weight basis average about 6 percent less than these farm-sales weight figures. 7/ Through mid-December, between 7 and 8 percent of gross sales of Virginia fire-cured went under loan.

burley parity. In the Virginia markets thus far, about 7 to 8 percent of gross sales have been delivered for Government loans--a smaller proportion than in the comparable period of last season.

The 1957 support level for fire-cured will increase proportionately, if the 1957 burley support is increased. Computed on the basis of the recent position of the parity index and the probable adjusted base price, burley support for 1957 would be above its 1956 level.

Supplies

The 1956-57 total supply of fire-cured tobacco, nearly 205 million pounds, is up a little above 1955-56 supplies. The 1956 production, close to 67 million pounds, was 3 percent larger than last year and the largest since 1949. Yields per acre during 1956 were at record highs for each of these types. Relatively little change in carryover occurred since a year ago. The supply of Virginia fire-cured for 1956-57 is a little below last year, with the increase in the crop not enough to offset the reduction in carryover. The increase in supply of combined Kentucky-Tennessee types is mainly due to the larger carryover of Eastern District fire-cured. The 1956-57 total supply is about $3\frac{1}{4}$ times yearly disappearance; a more desirable relationship would be 2 1/3 to 2 1/2 times disappearance. Government loan stocks of fire-cured tobacco are comparatively large, about three-fifths of which are comprised of 1947 to 1952 crop tobacco.

The 1957 marketing quota and acreage allotment will be announced by February 1.

Domestic Use and Exports

During the current marketing year (October 1956-September 1957), total disappearance is expected to range between 60 and 65 million pounds--probably a little lower than the 1955-56 total of nearly 65 million. Most domestic use of the fire-cured is in snuff which continues fairly stable.

Exports compose roughly one-half of total disappearance of fire-cured. In the year ending September 30, exports of fire-cured totaled $33\frac{1}{2}$ million pounds (farm-sales weight)--up 13 percent from 1954-55 and highest in 5 years. About four-fifths of the total was Kentucky-Tennessee fire-cured, and one-fifth was Virginia fire-cured. Leading outlets for Kentucky-Tennessee fire-cured in 1955-56 were Netherlands, Italy, France, Switzerland, Sweden, Indochina, and Belgium. Netherlands and France took 5 and 31 percent less than a year earlier, but there were substantial increases to the remainder, particularly Switzerland and Indochina. Much of the exports to Italy represented sales under the P. L. 480 program. Shipments of Kentucky-Tennessee fire-cured to the United Kingdom fell sharply below a year earlier, and much less went to French West Africa. Germany took a little more in 1955-56 than in 1954-55, and also there were increases to Denmark, Ireland, and Indonesia.

Norway accounted for roughly one-third of all exports of Virginia fire-cured in 1955-56 and took 28 percent more than its unusually small imports in 1954-55. Sharply increased shipments also went to Sweden, Netherlands, and the United Kingdom, the next ranking outlets. Other countries which took more in 1955-56 than in 1954-55 were Switzerland, Germany, Austria, and Australia, but shipments to New Zealand were down sharply.

Dark Air-Cured and Sun-Cured, Types 35-37

Prices

Auction markets for One Sucker and Green River (Kentucky-Tennessee dark air-cured types 35 and 36) opened on varying dates during the first third of December. For sales through December 17, type 35 prices averaged 34.3 cents per pound and type 36, 30.4 cents. Type 35 prices averaged 7 percent higher than for the comparable date last year. Type 36 prices were nearly the same a year ago. Auctions at Richmond opened for Virginia sun-cured (type 37) December 4 and through December 14, prices averaged 35.3 cents per pound -- 8.7 cents higher than early prices last season. Last year's crop of Virginia sun-cured suffered severe storm damage.

The Government price support level for 1956 dark air-cured and sun-cured tobacco is 32.1 cents per pound -- 1.3 cents more than last season. The support for dark air- and sun-cured is computed at 66 2/3 percent of the burley support level, which is 90 percent of the burley parity.

Thus far this season in the dark air-cured auction markets, about 16 percent of the One Sucker and 12 percent of the Green River have been placed under Government loan. Corresponding percentages early last season were 20 percent for One Sucker and 8 percent for Green River. Only negligible amounts of Virginia sun-cured went under loan as usual.

The 1957 support level for dark air-cured and sun-cured will increase proportionately, if the 1957 burley support is increased. Computed on the basis of the recent position of the parity index and the probable adjusted base price, the burley support for 1957 would be above its 1956 level.

Supplies

The 1956-57 total supply of dark air- and sun-cured is 117 1/2 million pounds -- 5 percent above 1955-56 and the largest since the early 1930's, when total use of dark air-cured was far larger. Carryover of more than 85 million pounds is nearly 6 percent above a year ago and the largest since 1927. Stocks of One Sucker are particularly high -- 10 percent above the previous postwar peak of 1953. The 1956 production of dark air-and sun-cured totaled over 32 million pounds -- a little larger than last year. The 1956 crop of the Kentucky-Tennessee dark air-cured was up a little from last year and this year's Virginia sun-cured crop is 12 percent above last year's storm-reduced level. Average yields per acre, during this year for both One Sucker and Green River were at new highs.

Table 15.--Dark air-cured and sun-cured tobacco, types 35-37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/ Total	Disappearance 1/ Domestic	Disappearance 1/ Exports	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1941-45	37.0	64.4	101.4	39.8	33.9	5.9	20.6
1946	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.5	22.7	14.8	28.7
1949	36.2	74.5	110.7	29.9	23.1	6.8	28.2
1950	28.6	80.8	109.4	36.4	25.6	10.8	24.6
1951	31.7	73.0	104.7	30.1	21.5	8.6	34.3
1952	33.8	74.6	108.4	29.3	22.7	6.6	31.6
1953	26.6	79.1	105.7	29.9	22.8	7.1	25.9
1954	34.1	75.8	109.9	29.1	19.0	10.1	34.1
1955 2/	31.1	80.8	111.9	26.5	20.7	5.8	31.1
1956 2/	32.1	85.4	117.5				

	Parity price 3/ Types 35-36	Parity price 3/ Type 37	Price support level 4/	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop	Remaining in Government loan stocks on November 30, 1956 5/
	Ct.	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1946	14.3	19.1	22.4	15.7	31.7	0
1947	17.2	23.1	26.9	14.5	39.0	.2
1948	18.1	24.2	28.3	8.9	25.6	1.9
1949	17.2	23.1	26.9	4.0	11.0	1.5
1950	27.2	34.2	30.5	4.1	14.3	1.0
1951	29.6	37.5	33.2	7.4	23.3	5.9
1952	30.5	37.7	33.0	6/9.9	29.3	6.3
1953	30.2	35.6	31.1	7.5	28.2	4.6
1954	29.4	34.5	30.9	7.3	22.5	6.2
1955	30.4	34.1	30.8	6.3	20.0	6.2
1956	30.5	32.4	32.1	7/	7/	7/
Total	---	---	---	85.6	---	33.8

1/ Year beginning October 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Not based on parity but set by law at 66 2/3 percent of the burley support. 5/ Actual loan stocks on a packed-weight basis average about 8 percent less than these farm-sales weight figures. 6/ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but were purchased and shipped by mid-1953. 7/ Of early marketings, 16 percent of type 35 and 12 percent of type 36 went under loan.

The 1956-57 supply of dark air-cured tobacco is roughly 4 1/4 times prospective disappearance, whereas a more desirable relationship is about 2 2/3 times disappearance. Government loan stocks of dark air-cured tobacco are very large; about 50 percent of these stocks are 1947 to 1952 crop tobacco.

The 1957 marketing quotas and acreage allotments for dark air-cured and sun-cured will be announced by February 1.

Domestic Use and Exports

During the current marketing year (October 1956-September 1957), total disappearance of types 35-37 is not expected to differ markedly from the 26 1/2 million pounds of 1955-56. The 1955-56 domestic use was about 20 2/3 million pounds -- roughly 1 2/3 million larger than in 1955-56 despite smaller output of chewing tobacco, the chief outlet. Some dark air-cured tobacco may be used in cigar manufacture. Despite the increase of the past year, domestic use of types 35-37 was the second lowest on record.

Exports of dark air- and sun-cured in 1955-56 at 5.8 million pounds (farm-sales weight) were 43 percent smaller than a year earlier, and the lowest for any peacetime year. Over three-fifths of the total was Black Fat -- a semi-processed product. Exports of Black Fat in 1955-56 were about one-fifth less than a year earlier, although above each of the previous 5 years. Close to 57 percent of the Black Fat went to Nigeria, which took about 7 1/2 percent less than in 1954-55. The second ranking outlet was Gold Coast, which took 10 percent less than a year earlier. The major decline was to French West Africa, which took only about one-sixth as much in 1955-56 as in 1954-55, and the least for many years.

Exports of One Sucker and Green River in leaf form fell 75 and 63 percent, respectively, from their higher than usual 1954-55 levels. Substantial amounts shipped to Madagascar, which represented quantities under a part of the foreign aid program, contributed to the comparatively high 1954-55 exports. None went to Madagascar in 1955-56 and also some regular outlets took greatly reduced quantities compared with earlier years. The United Kingdom, usually the leading destination for Green River, took only about one-fourth as much in 1955-56 as in 1954-55, and far less than in 1953-54 and 1952-53. France and Netherlands were reported as taking no One Sucker and Belgium took a reduced amount in 1955-56. Belgium and Netherlands took more Green River than a year earlier, but none went to France.

Cigar, Types 41-62

Prices

Most cigar tobacco is sold at the "barn door" during the fall and winter. This year in the Connecticut Valley, buying began about mid-October. Probably about two-thirds of the Broadleaf (type 51) crop were sold quickly at prices averaging higher than last season. A somewhat smaller proportion of the

Table 16.- Cigar tobacco, types 41-55: Domestic supplies, disappearance, and season average prices for specified periods

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/ Total	Disappearance 1/ Domestic	Disappearance 1/ Exports	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Filler types 41-44							
Average:							
1934-38 2/	48.9	159.9	208.8	54.4			10.4
1941-45	54.4	153.1	207.5	60.1			19.6
1946	57.3	128.8	186.1	63.9			32.9
1947	60.6	122.2	182.8	59.1			30.6
1948	68.3	123.7	192.0	60.1	59.4	0.7	25.8
1949	65.4	131.9	197.3	53.5	52.8	.7	26.2
1950	66.5	143.8	210.3	52.9	52.3	.6	25.2
1951	63.4	157.4	220.8	59.8	59.1	.7	19.6
1952	46.7	161.0	207.7	61.2	60.8	.4	25.2
1953	44.7	146.5	191.2	61.4	61.2	.2	26.2
1954	56.8	129.8	186.6	50.7	50.6	.1	26.7
1955 3/	53.2	135.9	189.1	62.2	61.8	.4	24.1
1956 3/	57.4	126.9	184.3				
Binder types 51-55 4/							
Average:							
1934-38	41.8	165.1	206.9	60.5			12.5
1941-45	57.8	122.4	180.2	64.4			29.3
1946	74.1	103.5	177.6	53.9			52.6
1947	69.4	123.7	193.1	67.3			43.8
1948	60.5	125.8	186.3	63.1	52.0	11.1	41.1
1949	61.7	123.2	184.9	49.8	46.4	3.4	36.0
1950	64.2	135.1	199.3	56.8	54.0	2.8	35.8
1951	49.3	142.5	191.8	57.0	54.1	2.9	38.1
1952	46.6	134.8	181.4	56.2	52.3	3.9	38.6
1953	46.9	125.2	172.1	52.3	50.2	2.1	44.7
1954	48.2	119.8	168.0	50.7	49.1	1.6	40.6
1955 3/	41.6	117.3	158.9	48.6	46.0	2.6	32.7
1956 3/	29.6	110.3	139.9				

1/ Year beginning October 1.
2/ Includes small quantity of type 45
3/ Subject to revision.
4/ Includes small quantity of type 56 through 1948.

Havana Seed crop has been sold at average prices -- mostly ranging between 45 and 55 cents per pound. The Conn-Mass Tobacco Cooperative began receiving tobacco for Government loans December 10.

Purchases of the Wisconsin binder types 54 and 55 usually begin in January, but some purchases of stemming grades have already been made.

A large part of Ohio filler types 42-44 was sold in early November. Average prices reportedly ranged from 22 to 25 cents per pound. Last season's overall average was 21.9 cents per pound.

The 1956 crop support levels for eligible cigar types are lower than in 1955. (See table 20.) The decrease mainly reflected the decline in the 10-year average price for these tobaccos as a group. The group average price for the 1946-55 seasons (the starting point for calculating 1956 parity prices) was nearly 4 percent lower than it was for the 1945-54 seasons (the starting point for calculating 1955 parities).

The 1957 crops of types 51-55 (mainly Connecticut Valley and Wisconsin binder types) and Ohio filler types 42-44 will be supported at 90 percent of the applicable parity, if marketing quotas are continued. At least two-thirds of growers voting in a referendum to be held probably in February must approve quotas for the next three crops if they are to continue in effect next year.

The price support for Puerto Rican filler (type 46) crop, that will be mainly harvested and marketed during the first half of 1957, is 31.4 cents per pound -- one half cent lower than for a year earlier. A Federal marketing quota is not in effect for Puerto Rican tobacco, and its price support is set in accordance with a sliding scale related to supply.

Growers of Pennsylvania type 41 filler do not receive Government price support, inasmuch as last year's referendum rejected the application of quotas to the 1956, 1957, and 1958 crops.

Supplies

Filler: The 1956-57 total supply of continental filler types grown in Pennsylvania and Ohio is about 184 million pounds -- 3 percent lower than for 1955-56 and 17 percent below the postwar peak of 1951-52. The carryover of 127 million pounds is down 7 percent from a year earlier, entirely due to the reduction in stocks of Pennsylvania filler. However, this year's Pennsylvania crop is estimated 11 1/2 percent larger than last, and the biggest crop in 5 years. Because of the 14 percent reduction in the much smaller Ohio crop partly offsets this, 1956 total continental filler production at nearly 57 1/2 million pounds is 8 percent above 1955.

The October 1, 1956, stocks of Puerto Rican tobacco at nearly 58 million pounds were about 1 2/3 million lower than a year earlier. About 55 percent of these stocks was being held on the mainland, and 45 percent was on the Island. The Puerto Rico Department of Agriculture and Commerce reports that

estimated plantings of the 1956-57 crop may be about 32,400 acres--7½ percent lower than 1955-56. If this proves to be the case and yields equal the recent 5-year average, the crop would be about 29 million pounds--about 1 million less than for 1955-56.

Table 17.--Shipments of tobacco from Puerto Rico to the United States for specified periods

(Declared weight)

Classification	Average 1934-38	Average 1949-53	1954	1955	January-September 1955	January-September 1956
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Stemmed	17.4	11.2	14.6	12.1	5.9	6.8
Unstemmed	.1	1.1	.8	.7	.5	.5
Scrap	5.0	6.1	5.4	5.8	3.7	6.0
Total	22.5	18.4	20.8	18.6	10.1	13.3

Binder: The 1956-57 total supply of binder types 51-55 is about 140 million pounds--a 12 percent drop below last year and a record low. Carryover on October 1 at 110 million was 6 percent below a year earlier and 23 percent below the postwar peak of 1951. Stocks of all binder types were lower except for the Northern Wisconsin type, which were up a little from a year ago. This year's production of about 29½ million pounds is 29 percent lower than in 1955, 40 percent below 1951, and less than one-half of that for each year from 1945 through 1950. Sharpest declines from a year ago occurred in Connecticut Valley Broadleaf and Havana Seed--down by about 41 and 47 percent respectively. The Northern and Southern Wisconsin crops were down about 13 and 11 percent, respectively, from last year.

1957 Cigar Filler and Binder Allotments

The 1957 allotments for Ohio filler and the cigar binder types will be announced by February 1. Growers of these types are expected to vote sometime in February on whether or not they favor marketing quotas on their 1957, 1958, and 1959 crops. At least two-thirds of those voting must favor quotas, if they are to be continued.

Table 18.- Cigar binder tobacco, types 51-55: Acreage, yield, domestic supplies, disappearance, and season average prices, 1947-56

(Farm-sales weight)

Year	Acreage	Yield	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
						Total	Domestic	Exports	
	1,000 acres	Lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
	Connecticut Valley Broadleaf (type 51)								
1947	10.0	1,502	15.0	28.6	43.6	13.3			51.0
1948	9.0	1,561	14.0	30.3	44.3	17.8	13.5	4.3	60.0
1949	9.0	1,571	14.1	26.5	40.6	12.9	11.8	1.1	53.0
1950	10.1	1,620	16.4	27.7	44.1	14.3	13.3	1.0	52.0
1951	8.7	1,660	14.5	29.8	44.3	14.1	13.2	.9	51.0
1952	9.3	1,591	14.8	30.2	45.0	14.5	13.8	.7	50.0
1953	8.4	1,750	14.7	30.5	45.2	13.4	12.7	.7	58.4
1954	8.0	1,669	13.3	31.8	45.1	11.7	11.5	.2	56.5
1955 2/	7.7	1,569	12.1	33.4	45.5	14.7	14.3	.4	44.9
1956 2/	4.2	1,700	7.1	30.8	37.9				
	Connecticut Valley Havana Seed (type 52)								
1947	9.1	1,658	15.1	16.5	31.6	12.2			73.3
1948	8.8	1,662	14.6	19.3	33.9	14.1	9.4	4.7	62.3
1949	8.6	1,705	14.7	19.8	34.5	9.5	7.4	2.1	41.9
1950	8.8	1,728	15.2	25.0	40.2	12.9	11.2	1.7	39.8
1951	6.6	1,695	11.2	27.3	38.5	11.0	9.1	1.9	42.6
1952	5.8	1,667	9.6	27.5	37.1	12.9	11.5	1.4	48.9
1953	6.2	1,945	12.0	24.2	36.2	11.9	10.8	1.1	54.9
1954	6.4	1,859	11.9	24.3	36.2	12.9	12.2	.7	44.0
1955 2/	5.7	1,742	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956 2/	2.9	1,826	5.3	21.6	26.9				
	Southern Wisconsin (type 54)								
1947	11.0	1,440	15.8	37.9	53.7	16.5			22.3
1948	8.2	1,450	11.9	37.2	49.1	9.3	8.9	.4	22.4
1949	8.5	1,480	12.6	39.8	52.4	12.3	12.3		22.8
1950	9.3	1,420	13.2	40.1	53.3	13.0	13.0		23.5
1951	6.9	1,510	10.4	40.3	50.7	16.0	16.0		25.3
1952	5.7	1,450	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953	4.8	1,510	7.2	33.3	40.5	10.0	10.0		24.3
1954	5.1	1,480	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955 2/	4.5	1,490	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956 2/	3.9	1,530	6.0	25.4	31.4				
	Northern Wisconsin (type 55)								
1947	14.8	1,454	21.5	37.6	59.1	22.9			34.9
1948	12.6	1,461	18.4	36.2	54.6	19.4	17.7	1.7	23.0
1949	12.4	1,518	18.8	35.2	54.0	13.2	13.0	.2	28.5
1950	12.8	1,465	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951	8.9	1,445	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952	9.4	1,445	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953	9.5	1,345	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954	9.9	1,561	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955 2/	9.1	1,420	12.9	30.9	43.8	12.0	11.7	.3	24.6
1956 2/	7.4	1,508	11.2	31.8	43.0				

1/ Year beginning October 1.

2/ Subject to revision.

Cigar Wrapper Supplies

The 1956-57 total supply of cigar wrapper (shade-grown types 61-62) is 33.6 million pounds--the same as for 1955-56 but 6 percent below the peak 1952-53 level. The July 1 carryover of 17 million pounds was 6 percent lower than a year earlier and the smallest in 7 years. This year's production of 16.6 million pounds was also 6 percent greater than last year--due almost entirely to the one-tenth increase in Connecticut Valley (type 61). There was virtually no change in Georgia-Florida (type 62).

Table 19.- Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices for specified periods

(Farm-sales weight)

Year	Production	Stocks, July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Average:							
1934-38	8.4	11.8	20.2	9.3			78.3
1941-45	10.4	13.6	24.0	10.2			160.7
1946	12.5	13.6	26.1	12.7			234.0
1947	13.5	13.4	26.9	12.4			296.0
1948	15.1	14.5	29.6	13.0	10.5	2.5	274.0
1949	17.3	16.6	33.9	14.5	10.8	3.7	201.0
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955 2/	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956 2/	16.6	17.0	33.6				

1/ Year beginning July 1.
2/ Subject to revision.

The October 1 stocks of wrapper held by dealers and manufacturers were only slightly lower than a year earlier. Holdings of type 62 were up a little from a year ago but this was more than offset by the decrease in stocks of type 61.

Domestic Use and Exports

Total disappearance of Pennsylvania and Ohio filler in the October 1955-September 1956 marketing year at about 62 million pounds was sharply higher than the unusually low 1954-55 figure and more in line with that for the 1953-54 and 1952-53. The increase over a year ago was entirely due to the greater use of Pennsylvania type, since there was about a 2 million pound drop in disappearance of Ohio filler types. The 1955-56 disappearance of Ohio filler was the smallest on record. Pennsylvania type accounted for nearly nine-tenths of total disappearance of Pennsylvania and Ohio tobacco.

The 1955-56 exports of filler, although the largest in 4 years, accounted for only two-thirds of 1 percent of total disappearance. Nearly all of the approximately 375,000 pounds exported went to Indochina.

Total disappearance of combined binder types 51-55, in the October 1955-September 1956 marketing year at close to 48½ million pounds was about 5 percent lower than a year earlier, 7 percent below 2 years earlier, and one of the lowest in history. Domestic use--accounting for 95 percent of total disappearance--decreased 7 percent from 1954-55 to 1955-56, and was 13 percent lower than the average for the 4 years preceding 1954-55.

The 1955-56 disappearance of Broadleaf (type 51) which totaled about 14.7 million pounds, was well above the unusually low 1954-55 level, but Havana Seed (type 52) dropped 10 percent to 11.6 million pounds. Exports of Broadleaf and Havana Seed totaled about 0.4 and 1.5 million pounds, respectively, both about double 1954-55. The leading destinations were West Germany Austria, Netherlands, Belgium, and Denmark, all of which took more than a year earlier.

The 1955-56 disappearance of Northern Wisconsin binder (type 55), 12 million pounds, was sharply below a year earlier and a postwar low; but for Southern Wisconsin (type 54), more than 10 million pounds, was up moderately and the highest in 4 years. The 1955-56 exports of Wisconsin tobacco which totaled about 700,000 pounds, differed little from 1954-55. Increases to Sweden, Canada, and Austria largely offset the decreases in exports to West Germany and Switzerland.

Total disappearance of shade-grown wrapper types 61-62 in the July 1955-June 1956 marketing year, 16.6 million pounds, was the same as a year earlier. Domestic use of 11½ million pounds dropped 7 percent below a year earlier, but exports at 5.1 million pounds were up more than one-fifth to a record high. West Germany accounted for almost three-fifths of total exports--taking 35 percent more than in 1954-55.

The 1955-56 disappearance of the Georgia-Florida wrapper type 62, 7.2 million, was 13 percent higher than in 1954-55, an increase which offset the 8 percent drop to 9.4 million pounds for Connecticut Valley type 61.

During the first one-third of the 1956-57 marketing year (July-October 1956), exports of wrapper types, about 1 1/3 million pounds, were sharply lower than in the comparable period of 1955-56. Much less went to West Germany, the leading outlet, and also to Netherlands and Belgium than in July-October 1955.

Table 21.- Cigar tobacco, types 41-62: Government support levels and season average prices for specified periods

Type	1949-53 season average price	1954 loan level	1954 season average	1955 loan level	1955 season average	1956 loan level
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Pennsylvania filler, type 41	24.9	1/	27.4	1/	24.5	1/
Ohio cigar filler types 42-44	22.3	25.1	22.5	24.7	21.8	23.4
Puerto Rican filler, type 46	28.1	32.6	30.5	31.9	2/25.0	31.4
Conn. Valley Broadleaf binder, type 51	52.9	53.8	56.5	53.9	44.9	52.5
Conn. Valley Havana Seed binder, type 52	45.6	51.5	44.0	50.8	35.0	49.0
Pa. Havana Seed binder, type 53	22.9	25.7	24.0	25.0	21.0	23.6
Southern Wis. binder, type 54	23.1	25.1	24.3	24.5	22.9	22.8
Northern Wis. binder, type 55	30.2	31.9	32.7	32.0	24.6	29.6
Conn. Valley shade-grown wrapper, type 61	206.0	3/	215.0	3/	215.0	3/
Ga.-Fla. shade-grown wrapper, type 62	190.0	3/	195.0	3/	185.0	3/

1/ Government price support not in effect on type 41.

2/ Preliminary.

3/ Mandatory loans not applicable.

Table 22.- Cigar tobacco price support operations, quantities placed under loan, 1946-55 and remaining

Crop year	Ohio, types 42-44	Puerto Rican type 46	Conn. Valley, type 51	Conn. Valley, type 52	So. Wis., type 54	No. Wis., type 55	Total 1/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1946	0	10.6	0	0	2.2	0	12.8
1947	0	10.3	0	0	.8	0	11.1
1948	0	12.3	0	0	2.0	3.0	17.3
1949	0	9.3	.1	3.2	.2	.5	13.3
1950	2.6	.3	.1	3.7	1.4	.6	11.5
1951	.6	1.1	1.7	2.7	4.8	.1	11.0
1952	2/	1.4	2/	2/	2/	2/	1.4
1953	2.7	1.4	3/	1.8	2.4	1.9	10.3
1954	1.2	5.1	.8	3.4	1.3	.9	12.7
1955	.8	2.8	7.8	5.2	.4	3.1	20.1
Total	7.9	54.6	10.5	20.0	15.5	10.1	121.5
Remaining as of Nov. 30, 1956	1.9	1.5	7.1	5.8	4/4.1	4/3.6	24.0

1/ Includes 2.8 million pounds of 1950 crop Pennsylvania Seedleaf (type 41) and negligible amounts from the 1950, 1951, and 1953 crops of New York and Pennsylvania Havana Seed (type 53).

2/ Price support not in effect because marketing quotas were disapproved by growers.

3/ Less than 50,000 pounds.

4/ About 5 million pounds of the Wisconsin loan stocks have been sold since this was reported.

Table 22.- Tobacco. Acreage in the United States, by types, for specified periods with percentages

Period	Flue-cured 11-14	Fire-cured 21-24 1/	Burley 31	Mary-land 32	Dark air- and sun-cured 35-37	Cigar Filler 41-45 1/	Cigar Binder 51-56 1/	Cigar Wrapper 61-62	United States
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Averages:									
1924-28	893.7	224.4	322.2	31.2	85.9	68.1	64.0	9.6	1,700.3
1929-33	949.5	204.3	460.9	36.1	64.5	65.3	56.3	9.0	1,847.3
1934-38	863.2	135.2	347.2	36.7	42.0	38.7	29.2	8.9	1,501.3
1939-43	872.8	90.1	375.4	38.4	38.6	45.2	39.2	10.2	1,510.3
1944	1,017.3	64.7	496.6	45.0	40.2	37.9	37.3	10.5	1,749.9
1945	1,078.7	61.3	512.3	35.0	44.1	36.0	41.8	11.2	1,820.7
1946	1,188.8	91.6	489.0	50.0	40.8	39.0	48.8	12.5	1,960.8
1947	1,161.2	83.8	420.5	47.5	35.3	42.7	46.4	13.6	1,851.6
1948	883.8	62.6	432.0	46.6	29.9	43.6	39.7	15.1	1,553.6
1949	935.4	60.7	447.4	50.0	31.9	42.4	39.5	15.6	1,623.2
1950	958.4	52.9	408.3	50.0	28.7	45.1	41.5	13.7	1,599.0
1951	1,110.1	49.0	456.1	53.0	26.5	39.8	31.4	13.6	1,779.9
1952	1,111.3	47.4	463.5	50.0	26.3	29.4	30.4	13.1	1,771.8
1953	1,021.8	48.3	419.7	45.0	26.0	30.5	29.0	12.3	1,632.9
1954	1,042.2	52.0	420.9	50.0	25.9	33.8	29.4	13.0	1,667.5
1955 2/	990.7	48.2	310.4	47.0	24.2	33.9	27.0	12.9	1,494.5
1956 2/	876.3	47.1	310.4	44.0	22.3	33.9	18.4	13.3	1,366.0
	Percentage change								
	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent
Av. 1947-49 to 1956	-11.8	-31.7	-28.4	-8.3	-31.2	-21.0	-56.1	-10.1	-18.5
1955 to 1956	-11.5	-2.3	0.0	-6.4	-7.9	0.0	-31.9	3.1	-8.6

1/ Types 45, 56, and 24 ended in 1939, 1948, and 1949, respectively.
2/ Subject to revision.

Table 23.- Tobacco: Yield per acre in the United States, by types, for specified periods with percentages

Period	Flue-cured 11-14	Fire-cured 21-24 1/	Burley 31	Maryland 32	Dark air- and sun-cured 35-37	Cigar: Filler 41-45 1/	Cigar: Binder 51-56 1/	Cigar: Wrapper 61-62	United States
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Average:									
1924-28	676	767	807	781	784	1,340	1,256	1,041	765
1929-33	707	777	777	683	803	1,035	1,350	1,039	770
1934-38	856	811	819	749	837	1,266	1,465	954	865
1939-43	963	923	985	755	958	1,323	1,526	982	986
1944	1,069	1,022	1,189	850	1,116	1,440	1,548	1,075	1,115
1945	1,088	951	1,127	525	988	1,261	1,518	1,001	1,094
1946	1,137	1,189	1,256	925	1,215	1,469	1,519	1,000	1,181
1947	1,135	1,031	1,153	795	1,054	1,419	1,495	992	1,138
1948	1,233	1,170	1,396	750	1,165	1,566	1,524	998	1,274
1949	1,191	1,189	1,253	825	1,133	1,542	1,561	1,108	1,213
1950	1,312	1,102	1,222	800	998	1,474	1,548	1,130	1,269
1951	1,309	1,215	1,355	785	1,197	1,594	1,571	1,098	1,310
1952	1,229	1,228	1,403	805	1,286	1,590	1,532	1,124	1,273
1953	1,245	1,013	1,345	900	1,022	1,468	1,618	1,203	1,261
1954	1,261	1,197	1,586	875	1,317	1,681	1,642	1,264	1,346
1955 2/	1,497	1,353	1,514	705	1,284	1,569	1,542	1,213	1,467
1956 2/	1,609	1,424	1,591	875	1,438	1,694	1,606	1,247	1,571
	Percentage change								
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Av. 1947-49 to 1956	35.7	26.0	25.6	10.8	28.7	12.3	5.2	20.7	30.0
1955 to 1956	7.5	5.2	5.1	24.1	12.0	8.0	4.2	2.8	7.1

1/ Types 45, 56, and 24 ended in 1939, 1948, and 1949, respectively.
2/ Subject to revision.

Table 24.--Acreage of tobacco in the United States, by class and type, annual 1953-56, and percentages

Class and type	1953	1954	1955 1/	1956 1/	Percentage change 1955 to 1956
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent
Old and Middle Belt, type 11	359.0	369.0	354.0	314.0	-11.3
Eastern North Carolina, type 12	331.0	334.0	317.0	282.0	-11.0
South Carolina, type 13	207.0	212.0	197.0	173.0	-12.2
Georgia and Florida, type 14	124.8	127.2	122.7	107.3	-12.6
Total flue-cured, types 11-14	1,021.8	1,042.2	990.7	876.3	-11.5
Virginia, type 21	9.9	10.0	9.1	8.6	-5.5
Kentucky and Tennessee, type 22	28.3	29.7	27.7	27.3	-1.4
Kentucky and Tennessee, type 23	10.1	12.3	11.4	11.2	-1.8
Total fire-cured, types 21-23	48.3	52.0	48.2	47.1	-2.3
Burley, type 31	419.7	420.9	310.4	310.4	0
Maryland, type 32	45.0	50.0	47.0	44.0	-6.4
One Sucker, type 35	14.8	14.2	12.8	12.3	-3.9
Green River, type 36	7.5	7.6	7.2	6.8	-5.6
Virginia sun-cured, type 37	3.7	4.1	4.2	3.2	-23.8
Total dark air-cured, types 35-37	26.0	25.9	24.2	22.3	-7.9
Pennsylvania, Seedleaf, type 41	25.8	29.2	29.5	30.0	1.7
Miami Valley, types 42-44	4.7	4.6	4.4	3.9	-11.4
Total cigar filler, types 41-44	30.5	33.8	33.9	33.9	0
Connecticut Valley Broadleaf, type 51	8.4	8.0	7.7	4.2	-45.5
Conn. Valley Havana Seed, type 52	6.2	6.4	5.7	2.9	-49.1
N. Y. and Pa. Havana Seed, type 53	.1	.0	.0	.0	0
Southern Wisconsin, type 54	4.8	5.1	4.5	3.9	-13.3
Northern Wisconsin, type 55	9.5	9.9	9.1	7.4	-18.7
Total cigar binder, types 51-55	29.0	29.4	27.0	18.4	-31.9
Conn. Valley Shade-grown, type 61	7.9	8.2	8.0	7.9	-1.2
Ga. and Fla. Shade-grown, type 62	4.4	4.8	4.9	5.4	10.2
Total cigar wrapper, types 61-62	12.3	13.0	12.9	13.3	3.1
Louisiana Perique, type 72	.3	.3	.2	.3	50.0
Total all types	1,632.9	1,667.5	1,494.5	1,366.0	-8.6

1/ Preliminary.

Table 25.- Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-55, by quarters 1954-56

Year and quarter	Net sales	Net income		Profit			
				Per dollar of sales		As percentage of stockholders' equity (annual basis)	
		Before Federal tax	After Federal tax	Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,329	294	129	8.8	3.9	21.8	9.6
	Current series 1/						
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1953	3,768	338	138	9.0	3.7	22.9	9.4
1954	3,672	329	156	9.0	4.2	21.5	10.2
1955	3,796	388	183	10.2	4.8	24.2	11.4
1954							
1	846	72	34	8.5	4.0	19.1	9.0
2	932	81	38	8.7	4.1	21.3	10.0
3	970	93	44	9.6	4.5	24.1	11.4
4	924	83	40	9.0	4.3	21.3	10.2
1955							
1	860	74	35	8.6	4.1	18.8	8.9
2	975	98	47	10.1	4.8	24.6	11.8
3	994	110	53	11.1	5.3	27.3	13.1
4	967	106	48	11.0	5.0	26.0	11.8
1956							
1	900	87	41	9.7	4.6	21.3	10.0
2	998	105	50	10.5	5.0	25.3	12.1

1/ Not strictly comparable to the series previously published for 1947-51, but differences in the current and previous series for 1951 are relatively minor.

Compiled and adapted from Quarterly Financial Report for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

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A publication--Tobacco Smoking Patterns in the United States, Public Health Monograph No. 45 (Public Health Service Publication No. 463)--has recently been issued by the United States Public Health Service. Copies of this publication may be purchased from the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C., price 60 cents.

The Tobacco Situation is published 4 times a year. The next issue is scheduled for release in the latter part of March 1957.

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